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World Bank's Estimate For Jakarta: \$3 Billion

Official Says Total Is for Urgent Aid in '98, In a Process That's 'Going to Be Years'

By Michael Richardson
International Herald Tribune

SINGAPORE — The World Bank is warning that \$3 billion in emergency food and medical aid will be needed over the next year to help Indonesia provide essential supplies to millions of people affected by drought and the economic crisis.

Ahead of a meeting in Washington on Wednesday of officials from 21 donor countries and 17 development banks to coordinate assistance to the world's fourth most populous nation, Dennis D. Tray, head of the World Bank office in Jakarta, said that a precipitous fall in the value of its currency, along with rapidly rising unemployment, inflation and food prices, had confronted Indonesia with a difficult situation.

"To our knowledge, no country has suffered the kind of withdrawal of confidence in its own currency that Indonesia has suffered, since the Second World War," he said. "The recovery is not going to be easy. With the best of intentions and the best of commitment, it's going to take a while. It's going to be years, not months."

The \$3 billion in aid for Indonesia cited by the World Bank would be in addition to more than \$40 billion in loans organized by the International Monetary Fund in a so far vain attempt to prop up the Indonesian currency, the rupiah, and revive investor confidence in an economy that until this year was growing at an annual rate of more than 6 percent — fast enough to reduce poverty and unemployment, and raise per capita incomes for most of the population.

The IMF suspended a \$3 billion disbursement of the loan package last month because it was not satisfied that Jakarta was carrying out promised reforms, including strengthening the banking and legal systems, ending monopolies, cutting government spending and eliminating subsidies.

But analysts said that the looming recession in Indonesia and concern that

it might spark mass social unrest and economic hardship that would swell the flow of illegal migration of Indonesians into other Southeast Asian countries had prompted the IMF to be flexible in allowing Jakarta more time to apply some of the reforms.

After taking a survey of Indonesia's crops and food supply, the United Nations Development Program said Wednesday in Jakarta that some 7.5 million Indonesians could soon face food shortages and that the government would probably have to import a record 3.3 million tons of rice in 1998.

Canadian officials said that Canada would provide Indonesia with aid worth 280 million Canadian dollars (\$197.3 million), mainly credits for imports of food and medicine. The U.S. last week promised \$54 million in food and medical assistance.

Lloyd Axworthy, foreign minister of Canada, said that Indonesia faced a food shortage caused by drought, increased prices, distribution difficulties and a limited ability to import essential foodstuffs. He added that the aid should "help address the human side of the economic crisis."

Soaring prices of staple food items and other essentials sparked riots in some parts of Indonesia in recent weeks that were directed mainly against the country's ethnic Chinese minority, which controls much of the retail trade.

The rupiah has lost about 70 percent of its value against the dollar since July. The drop has threatened to bankrupt many companies that borrowed heavily in foreign currencies, severely straining the banking system and bringing much of the country's business and trade to a virtual halt.

The government said Monday that minimum wages — which in 1997 were set at under one dollar a day — would be frozen because of the crisis. With inflation likely to reach 50 percent in 1998, this means that real incomes for

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Under tight security, Maurice Papon, center, leaving his house near Bordeaux on Wednesday to attend his trial for World War II crimes.

After Hearing Papon, Jury Starts to Deliberate

War Crimes Defendant Makes His Final Plea

By Charles Trueheart
Washington Post Service

BORDEAUX — Maurice Papon had his last chance on Wednesday to convince a French jury that he was not guilty of war crimes before a panel of three judges and nine citizens went behind closed doors to deliberate the verdict.

Mr. Papon, 87, used his 40-minute courtroom privilege to attack the long-running trial here that has sought to establish his responsibility for the deportation of more than 1,500 French Jews to the German death camp at Auschwitz, Poland.

"This is what is called a political trial," Mr. Papon said during a rambling soliloquy. "French law has been tortured in a desperate effort to prove a crime that was never committed."

His speech capped four days of closing arguments by the defense and six months of highly charged and

often conflicting testimony that has commanded headlines and dominated private conversation in France.

"In the absence of incontestable evidence, a judicial monster has been created," he said, "an unprecedented media bombardment of lies, insults and infamy designed to poison public opinion."

Mr. Papon, whose trial stirred a painful public confrontation with this country's wartime behavior, warned the jurors that their fellow citizens were watching and that their nation's reputation hung in the balance.

"Be careful that France is not harmed by your verdict," he said. "There are many people outside our borders who would rejoice in the humiliation that my conviction would bring upon our nation by linking it to Nazi Germany in responsibility for Jewish genocide." He was then

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Israel Clears Plan To Leave Lebanon

Alert Ordered After Killing Beirut Balks: No Negotiation

By Joel Greenberg
New York Times Service

JERUSALEM — A man found dead near a car that was identified Wednesday as a suspected bomb-maker from the Islamic group Hamas who was at the top of Israel's list of most wanted militants.

The Israeli police said they were on high alert for possible revenge attacks by Hamas similar to those that followed the assassination of Mohammed Yehya Ayyash, a Hamas bomb-maker known as "The Engineer" who was killed by a booby-trapped cellular phone in the Gaza Strip in January 1996.

After that slaying, widely attributed to Israel's Shin Bet security service, Hamas militants carried out a series of suicide attacks in Israel that killed more than 60 people.

Abdel Aziz Rantisi, the most prominent Hamas figure in Gaza, warned that there would be similar retribution now. "Hamas never leaves its members unavenged," he said. "The struggle will surely escalate."

The police said that the man found dead on Sunday was Muhiyaddin Sharif, 32, and that he had been shot three times before the car blew up. His body was dumped near the vehicle in Bituniya, outside the town of Ramallah, which is governed by Palestinians.

Israeli officials held him responsible for a series of suicide attacks in Israel that killed scores of people since early 1996. Prime Minister Benjamin Netanyahu of Israel denied responsibility for the Sharif killing.

"I can tell you with certainty that Israel had no part in this event," Mr. Netanyahu said at a news conference. "I don't know if this was a liquidation operation. I have no idea."

A leaflet signed by the Qassam Brigades, the armed wing of Hamas, warned, "The murder will not pass without revenge that will bring sadness to every Zionist household and teach the Netanyahu government a lesson it will never forget."

Yasser Arafat, the Palestinian leader, said the incident was under investigation, but other Palestinian officials pointed a finger at Israel.

"If the information is true, it means that Israeli state terrorism and assassination sanctioned by the state continues to be a policy of the government of Israel," said Nabil Shaath, a minister in the Palestinian cabinet.

The commander of Palestinian forces in the West Bank, Hajj Ismail Jaber, issued a statement calling the killing a crime and a "dangerous attempt to undermine Palestinian stability and secu-

By Serge Schmemmann
New York Times Service

JERUSALEM — Adding to a growing diplomatic effort to find a way out of its costly military presence in southern Lebanon, Israel formally accepted on Wednesday a 20-year-old UN Security Council resolution calling on it to "withdraw forthwith" from Lebanese territory, but on the condition that Lebanon assume control over the region and prevent its use for attacks on Israel.

Both Lebanon and Syria have publicly rejected any negotiations over the resolution, arguing that the United Nations called for an unconditional withdrawal.

The decision by the Israeli cabinet followed an intense debate within the government on ways to extract Israeli forces from the buffer zone that Israel maintains in southern Lebanon with the help of a Lebanese militia called the South Lebanese Army.

That debate, in turn, followed growing pressure in Israel to end a conflict with the radical Islamic guerrillas of Hezbollah, which is taking a steady toll in Israeli lives.

"The meaning of this decision is the Israel is expressing formally here for the first time, in a detailed and organized fashion, its seriousness and determination to leave Lebanon, linked to the required security arrangements," Prime Minister Benjamin Netanyahu said.

Israeli officials and foreign diplomats warned that Israeli readiness to embrace Resolution 425 was not likely to end the conflict soon.

For one thing, there was no guarantee that the Lebanese government had the military capacity to secure the southern region. The more serious obstacle is Syria, which effectively controls Lebanon, and which has made clear that it would end the conflict in southern Lebanon only in the context of a peace agreement that included the return of the Golan Heights to Syria.

Early in his administration, Mr. Netanyahu floated the idea of a "Lebanon first" agreement, only to have it flatly rejected by Syria.

"There is nothing new in the Israeli position," Nabil Berri, speaker of the Lebanese Parliament, was quoted as saying. In Abu Dhabi, the Lebanese president, Elias Hrawi, said at a news conference, "We will not negotiate for one second over Resolution 425, because if we did, then the Security Council resolution would become null."

Syria, which has 35,000 troops in Lebanon, also dismissed the Israeli decision as a "maneuver," Agence France-Presse reported.

Despite such public opposition, the Israeli effort, led by Defense Minister

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California's Universities Jettison Racial Diversity

By Ethan Bronner
New York Times Service

BERKELEY, California — In a demonstration of the impact of California's referendum that banned the use of race and ethnicity in college admissions, the state's most competitive public universities have announced steep drops in admissions of black and Hispanic applicants for next fall's freshman class.

At the University of California, Berkeley, the most selective public university in the country, African-Americans, Hispanic-Americans and American Indians together made up 10.4 percent of the total pool of admitted freshmen for 1998. In 1997, they made up 23.1 percent. At the University of California, Los Angeles, minority representation fell to 12.7 percent, from 19.8 percent last year.

"My own personal emotions are a mixture of disappointment, anger, frustration, hope and resolve," said Robert Berdahl, Berkeley's chancellor, at a news conference Tuesday. "To the extent this leaves us a less diverse campus, it disappoints us."

Some opponents of affirmative action, or race-based admissions tools, said they, too, were disturbed by the drop-off but only because they said it proved their point that the school systems have been failing to prepare black and Hispanic applicants and that the university system had been discriminating against whites and Asians.

"We shouldn't become obsessed with the year-to-year numbers," said Terence Pell, senior counsel of the Washington-based Center for Individual Rights, which has brought many cases against affirmative action to courts around the country. "It is clear it will take a few years for the systems to adjust. Diversity is important. The challenge is how to get it without focusing on skin color."

The figures are among the first on admissions to California state universities since Proposition 209 was passed in November 1996. The referendum, which for undergraduate admissions went into effect this year, made California the only state to ban the consideration of race, ethnicity and sex in the public sector.

A federal appeals court has barred the state universities of Texas from doing the same, and other states, notably Michigan, are facing similar legal challenges.

While the California referendum also barred the consideration of sex, admissions officials said they had never taken sex into account anyway because of the large number of women applying for admission.

The data made public on Tuesday mirror similar drops in most of the smaller University of California campuses announced two weeks ago and at the state's business and law schools.

It remains unclear what percentage

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Fuller Service for Full-Fare Fliers

By Laurence Zuckerman
New York Times Service

NEW YORK — Last month, travelers paying full coach fare on Trans World Airlines began receiving white-glove service in St. Louis, Missouri. A special skycoach now checks their bags at the curb, issuing a large, gilt-edged tag that is intended to ensure that the luggage will be the first off the plane.

Elite fliers are also given a white ticket envelope — as opposed to the dark blue ones issued to hoi polloi — so that TWA employees know to give them the "extra level of customer service they deserve." And TWA scrapped a three-year effort to offer the most spacious coach cabin in the industry to make room for more first-class seats.

"We have essentially moved that space from the back to the front, where it is made available to people who can pay for it," said Mark Abels, a TWA spokesman.

There have long been clear class distinctions in the air, but the divisions are growing ever wider as airlines

invest millions of dollars to pamper their best customers, business travelers, enticing them with everything from more leg room to extra frequent-flier miles to fancier VIP lounges.

Who loses out? In some cases, passengers with discount tickets.

"The back end of the plane has become a bus with wings," said Ivan Michael Schaeffer, president of Woodside Travel Trust, a consortium of 132 travel agencies.

[On scheduled European domestic flights, the differences between passengers are less accentuated, partly because first class has all but disappeared and partly because most leisure travelers use charter flights, industry specialists told the IHT.]

[What business travelers get in Europe in exchange for a higher fare is flexibility, they said. These travelers can change tickets, carry on more luggage, and perhaps be served a hot meal and drinks instead of a

See CLASS, Page 10

In First Class, Friendlier Skies

American Airlines recently began weighting the miles it awards passengers looking to qualify for its new top-tier Executive Platinum frequent-flier status. It takes 100,000 miles to qualify and depends on how much is paid for each ticket.

Here is how many miles passengers in different classes would earn on a 4,950-mile round-trip flight from New York's Kennedy Airport to Los Angeles.

	WEIGHTING	FARE	MILES EARNED
First class	1.50	\$3,688	7,425
Business class	1.25	2,830	6,188
Full coach	1.00	1,836	4,950
Discount coach	0.50	298	2,475

Source: Company reports The New York Times

Yeltsin Defuses Tension With Deputies

Reuters

MOSCOW — Russia's opposition-led Parliament pulled back from the brink of confrontation with President Boris Yeltsin on Wednesday after he unexpectedly invited its leaders to crisis talks.

Deputies in the State Duma, Parliament's lower house, had been planning

to adopt a resolution Wednesday calling for a roundtable with Mr. Yeltsin and for the president to suspend his choice of prime minister-designate, Sergei Kiriyenko, 35.

But they abandoned their demand to suspend Mr. Kiriyenko an hour after a Kremlin spokesman said the president had invited the heads of the Duma and the upper house, the Federation Council, to talks Thursday.

Sergei Yastrzhembsky, a Kremlin spokesman, said, "The president's invitation to hold such a meeting practically in the format of the 'Big Four' can be viewed as President Yeltsin's response to the appeal by the Federation Council and State Duma to hold consultations ahead of voting for Sergei Kiriyenko."

The "Big Four" are Mr. Yeltsin, Genadiy Seleznyov, the Duma speaker, Yegor Stroyev, the Federation Council speaker, and the prime minister. Mr. Kiriyenko will also be at the talks Thursday, but is not yet formally prime minister. The Duma is scheduled to debate his

nomination Friday, but it was far from certain that Mr. Kiriyenko could win its approval, even after Mr. Yeltsin's offer of talks. The president is empowered to dissolve the Duma and call new elections if it rejects his candidate in three separate votes.

Mr. Yastrzhembsky said Mr. Yeltsin's decision to hold the talks at his residence outside Moscow, normally reserved for meetings with foreign leaders, was a sign of serious intent.

The Duma, which has used the roundtable option before to avoid a showdown with Mr. Yeltsin, evidently took the hint.

Within the hour it voted in favor of a Communist appeal calling for talks involving more than the "Big Four," but dropped its demand that Mr. Kiriyenko's candidacy be suspended.

Mr. Seleznyov told the chamber after the vote, "This will be a good mandate for me at tomorrow's meeting, where we might announce plans for holding

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BIG BANG — A Tokyo merchant testing a Singapore dollar Wednesday, as Japanese stores began accepting foreign currency as part of the deregulation of the country's financial system. Page 11.

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Sports Pages 18-19.
The IHT online, www.ihonline.com

South Africa Denies Claims of Coup Plot

PRETORIA (Reuters) — A military intelligence report claiming a coup plot against President Nelson Mandela was "frivolous and of no substance," a South African government spokesman said Wednesday.

Joel Ntshenzhe, the spokesman, said a judicial commission had found no truth to a report that had named senior

military officers and officials close to Mr. Mandela's governing African National Congress as being behind the plot. One of those named in the report was Mr. Mandela's former wife, Winnie Madikizela-Mandela. Mr. Ntshenzhe said Mr. Mandela was studying the report and would make a public statement in the next few days.

Last Stop for Clinton: Slave House on Goree

The last stop of President Bill Clinton's 12-day trip to Africa will be a visit Thursday afternoon to Goree Island, where millions of Africans spent their last hours on the continent chained in cobblestones before beginning the ghastly, and for many fatal, voyage to the New World. The visit will bring to a climax the politics of contrition Mr. Clinton has practiced in Africa. Page 10.

The Dollar		
New York	Wednesday 8 P.M.	previous close
DM	1.8324	1.848
Pound	1.6712	1.6725
Yen	133.675	133.13
FF	6.2065	6.1905
The Dow		
Wednesday 8 P.M.	previous close	
+57.55	8957.36	8790.81
S&P 500		
change	Wednesday 8 P.M.	previous close
+4.38	1108.13	1101.75

Newsstand Prices

Bahrain	1,000 BD	Malta	55 c
Cyprus	£ 1.00	Nigeria	12000 Naira
Denmark	14.00 Dkr	Oman	1,250 QR
Finland	12.00 FM	Qatar	10.00 QR
Gibraltar	£ 0.85	Rep. Ireland	IR £ 1.00
Great Britain	£ 0.90	Saudi Arabia	10 SR
Egypt	£ 5.50	S. Africa	R12 + VAT
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kenya	K SH 160	U.S. Mtl. (Eur.)	\$ 1.20
Kuwait	700 Fils	Zimbabwe	Zm \$40.00

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As Visas Expire, a 2d British Exodus From Hong Kong

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THE AMERICAS

2 Clinton Troopers Got Cash After Disclosures

Republican Contributor Paid Each \$6,700 After Their Womanizing Allegations

By Peter Baker
Washington Post Service

WASHINGTON — A wealthy Republican contributor paid \$6,700 each in 1994 to two former gubernatorial bodyguards who went public with allegations that Bill Clinton used them to meet women, sources have confirmed.

Peter Smith, a Chicago investment banker who since 1989 has contributed \$150,000 to the Republican Party and to causes connected to the speaker of the House, Newt Gingrich, made the payments to the state troopers, Roger Perry and Larry Patterson, a few months after they were quoted by the Los Angeles Times and the American Spectator magazine about Mr. Clinton's alleged womanizing, according to the sources.

Mr. Smith also paid \$11,600 to two lawyers who helped get the troopers' story out: \$5,000 to Cliff Jackson, a Clinton foe, and \$6,600 to Lynn Davis, a former director of the Arkansas state police, said the sources.

The New York Observer broke the story of Mr. Smith's 1994 payments last week. On Tuesday, the Chicago Sun-Times quoted Mr. Smith as saying he paid another \$50,000 to a variety of lawyers, public relations consultants and a reporter as part of an anti-Clinton research project in 1992.

The reporter, David Brock, confirmed that he received \$5,000 from Mr. Smith in 1992 for expenses in researching a book he did not write; the next year, Mr. Smith tipped him to the troopers' story, leading him to write the American Spectator article that first mentioned "Paula" and led to the Paula Jones sexual harassment lawsuit.

A 'Whistle Blower Fund'

William C. Rempel of the Los Angeles Times added:

According to Cliff Jackson, an attorney for the troopers, Mr. Smith's contributions were deposited into the Troopergate Whistle Blower Fund, a legal entity established under Arkansas law that existed for "a year or two." Mr. Jackson said the fund ultimately raised about \$40,000 that was divided among the troopers and their attorneys.

The lawyer added that Mr. Smith started the fund with a \$5,000 donation in February 1994, about two months after the Troopergate stories broke. Another \$20,000 Smith donation was deposited into the fund about a month later, Mr. Jackson said.

The efforts to create the whistle-blower fund were disclosed in the original Los Angeles Times account on Dec. 21, 1993.

That article cited Mr. Jackson's

claim that the troopers were "completely vulnerable to reprisals" for going on the record with their allegations against Mr. Clinton. The story reported that Mr. Jackson had received verbal agreement from "an unnamed conservative financier" to establish what the lawyer called "a whistle-blower insurance policy," but that Mr. Jackson had not obtained a formal contract.

On Tuesday, Mr. Jackson reiterated that the troopers received no payment for coming forward and, at the time the stories were published, had no guarantees of help if they lost jobs as a consequence.

At the time, a group of troopers already had met for a series of interviews with the Los Angeles Times. But Mr. Jackson said later that he became concerned that "a liberal paper" like the Los Angeles Times might not publish stories critical of Mr. Clinton, so he "put out the word" that he wanted to meet with a conservative writer.

Mr. Brock confirmed to the Chicago Sun-Times that he learned about the troopers from Mr. Smith in the fall of 1993. Mr. Brock then contacted Mr. Jackson, he said.

Mr. Brock recently apologized to Mr. Clinton for his role in the Troopergate articles, saying in a series of talk-show appearances and in an open

letter published by Esquire magazine that he was part of an orchestrated rightist effort to "get Clinton."

Judge Warns Jones's Lawyers

Francis X. Clines of The New York Times reported from Washington:

The judge in the Paula Jones case has issued a warning to Mrs. Jones's lawyers for publicly identifying a "Jane Doe" witness over the weekend in an unsubstantiated allegation of sexual assault by Mr. Clinton.

Threatening sanctions if any lawyer in the suit violated disclosure strictures, Judge Susan Webber Wright of Federal District Court ordered an end Tuesday to the pretrial salvos of press releases that have made selective, sensational parts of the case public in advance of the trial, which is tentatively scheduled for May 27 in Little Rock, Arkansas.

Judge Wright noted that the filing of the Jane Doe allegation was left in a court dropoff box in Pine Bluff, Arkansas, on Saturday, when she was not there to review it, and simultaneously publicized by the Jones legal team. It touched off another burst of headlines of sexual allegations against President Clinton.

The assault charge, made public by way of sworn, unsigned third-party hearsay, was released despite a sworn affidavit from the Jane Doe witness that the 20-year-old allegation was untrue. Mr. Clinton's lawyer, Robert Bennett, denounced the filing in a complaint to the court as a salacious publicity stunt.

Judge Wright warned the lawyers to make no future pleadings public until they are "in the hands of this judge."

And as she waded through the hundreds of pages of final court filings, the judge said she was "on the verge of ruling" on the next key question in the case: whether the civil damages suit should be thrown out because of lack of evidence, as the president's defenders have argued, or proceed to trial, as most principals in the case expect.

The grand jury investigation into Mr. Clinton's relationship with a former White House intern, Monica Lewinsky, proceeded Tuesday with additional questioning of two previous witnesses, Nancy Henrich, chief of Oval Office operations, and Marsha Scott, a personnel specialist in the White House. It was Ms. Henrich's fourth appearance before this grand jury and the third for Ms. Scott.

POLITICAL NOTES



A BIRD OF SPRING — Donna Shalala, U.S. secretary of health, throwing out the baseball season's ceremonial first pitch on Tuesday in Baltimore.

House Barely Passes Disaster Relief Plan

WASHINGTON — By a thin margin, the House has passed a special \$2.9 billion disaster relief and defense spending bill, cutting domestic programs despite the threat of a presidential veto.

The emergency appropriations bill did not include \$18 billion sought by the administration for the International Monetary Fund and included in a pending Senate measure. The House has put IMF funding in a second bill to be taken up after the spring recess, which begins Thursday.

The House vote was 212 to 208, with 17 Republicans crossing party lines to oppose the measure Tuesday. The bill must go to a conference to be reconciled with Senate legislation.

The Appropriations Committee chairman, Bob Livingston, Republican of Louisiana, acknowledged that the narrowness of the margin presaged heavy going in efforts to get the Senate to accept the House's insistence on offsetting the expenditures with domestic spending cuts. The Senate's bill has no offsets.

The bill provides \$2.3 billion to maintain peacekeeping operations in Iraq and Bosnia and for other defense spending and \$575 million in disaster assistance for damages associated with El Niño storms.

Faced with a revolt from the House Republican rank and file, leaders offset the spending by cutting \$2.2 billion in low-income housing rental subsidies and \$700

Drinking Bill Stalls

WASHINGTON — A campaign by traffic safety groups and their congressional allies to pass a tough anti-drunk driving provision has suffered a setback as the House Rules Committee refused to allow the measure to be offered as an amendment to the highway bill.

The measure in dispute would require all states to lower the legal blood-alcohol limit to 80 milligrams of alcohol per deciliter of blood or less as much as 10 percent of their federal highway funds.

The Senate approved it as part of its version of the highway bill last month, but the House Transportation Committee's chairman, Bud Shuster, Republican of Pennsylvania, left it out of the House bill. The liquor and restaurant industries have mounted a well-financed effort to keep it out.

(WP)

Quote/Unquote

Al Kamen, a Washington Post columnist, begging his readers for mercy: "O.K., O.K. Sidney Blumenthal's book had a foreword, not a forward, as written in Monday's column. Stop calling. Stop e-mailing. Stop writing. It looked good either way."

(WP)

Starr's Bill Before Lewinsky: \$30 Million

Washington Post Service

WASHINGTON — Kenneth Starr has spent nearly \$30 million investigating an assortment of allegations against President Bill Clinton and Hillary Rodham Clinton, according to the General Accounting Office.

The congressional watchdog said in a report Tuesday that Mr. Starr, the independent counsel, spent \$3,987,888 on his Whitewater investigation from April 1 to Sept. 30, 1997, which brings total spending for the first three years of his inquiry to \$29,599,059.

Mr. Clinton's allies have attacked Mr. Starr's spending in recent months, citing estimates as high as \$40 million, but the GAO's figures — which are six months behind — are the only official accounting.

James Carville, a Clinton adviser and leading Starr critic, continues to

question the investigation's cost. "Starr has spent twice as much to investigate the president than the FBI spent investigating the crash of TWA Flight 800, which killed 232 people," he said. "It's outrageous to put it mildly."

Mr. Carville said he included the expenses of Mr. Starr's predecessor when he attacks the cost of the investigation. A former Whitewater special prosecutor, Robert Fiske, spent slightly more than \$6 million before an appeals court panel replaced him with Mr. Starr in August 1994. In all, taxpayers have spent \$35,672,341 on the Fiske and Starr investigations, according to the GAO.

Because the tabulations are six months behind, the report does not include the costs of investigating allegations involving the president and a former White House intern, Monica Lewinsky.

According to the GAO, the four independent counsels appointed to investigate Mr. Clinton and top-level officials in his administration spent \$8,576,816 during the six-month period that ended Sept. 30, 1997. Altogether, the four have spent \$53,135,650.

Among those being investigated in addition to the Clintons are Mike Espy, a former agriculture secretary, and Henry Cisneros, a former housing secretary.

Senator Robert Torricelli, Democrat of New Jersey, has asked both the GAO and Attorney General Janet Reno for a more detailed accounting of Mr. Starr's spending.

Spending by independent counsels has been a flash point for criticism of the controversial law that was passed by Congress in the aftermath of Watergate two decades ago.

Schoolgirl's Experiment Casts Doubt on an Alternative Medical Treatment

By Gina Kolata
New York Times Service

NEW YORK — Two years ago, Emily Rosa of Loveland, Colorado, designed and carried out an experiment that challenges a leading treatment in alternative medicine. Her study, reported Wednesday in the Journal of the American Medical Association, has thrown the field into turmoil.

Emily is 11. She did the experiment for her elementary school's science fair. The technique she challenges is therapeutic touch, in which healers manipulate what they call the human energy field by passing their hands over a patient's body without actually touching the patient. The method is practiced in healing centers and medical centers throughout the world, and is taught at prominent universities and schools of nursing.

Tens of thousands of people have been trained to treat patients through the use of therapeutic

touch. Its practitioners insist that the human energy field is real and that anyone can be trained to feel it.

But Emily asked a very simple question: Could therapeutic touch practitioners actually detect a human energy field? It was a question critics of alternative medicine had asked before. But only one practitioner had agreed to submit to a test, said James Randi, a magician who conducts the test.

Emily, however, was able to recruit 21 practitioners. Her mother, Linda Rosa, a nurse who is among the critics of therapeutic touch, said she believed Emily succeeded because practitioners were not threatened by a 9-year-old girl.

Emily designed an experiment in which she and the healer were separated by a screen. Then Emily decided, by flipping a coin, whether to put her hand over the healer's left hand or the right hand. The healer was asked to decide where Emily's hand was hovering. If the healer could detect

Emily's human energy field, he or she should be able to discern where Emily's hand was.

In 280 tests involving the 21 practitioners, the healers did no better than chance. They identified the correct location of Emily's hand just 44 percent of the time; if they had guessed at random, they would have been right about half the time.

Emily wrote her study with her mother, a member of the National Therapeutic Touch Study Group, a group based in Loveland that questions the method. The study's authors also included Larry Sarner of the Therapeutic Touch Study Group and Dr. Stephen Barrett, board chairman of Quackwatch in Allentown, Pennsylvania, a nonprofit group that is putting information about questionable medical practices on the Internet.

The report on the study is accompanied by a note from Dr. George Lundberg, editor of the journal. In it, Dr. Lundberg writes that "practitioners should disclose these results to patients,

third-party payers should question whether they should pay for this procedure, and patients should save their money unless or until additional honest experimentation demonstrates an actual effect."

Dr. Lundberg said the journal's statisticians thought the study was well done. "They were amazed by its simplicity and by the clarity of its results," he said.

Practitioners hardly agree. "I do hope it's an April Fool's joke," said Dr. Dolores Krieger, an emeritus professor of nursing at New York University who is a developer of therapeutic touch.

In her book, "Accepting Your Power to Heal," published in 1993, Dr. Krieger said the field felt like "warm foam."

Practitioners of therapeutic touch say that patients who are ill have hot spots or cold spots in their fields or areas that feel tingly. By "rebalancing" a person's field, practitioners say they can calm colicky babies, relieve symptoms of Alzheimer's disease, treat cancer and more.

Dr. Krieger says that since she developed therapeutic touch 26 years ago, she had trained more than 47,000 practitioners. Her students have gone on to train thousands more. The method has been the subject of numerous doctoral dissertations and postdoctoral studies.

"It works," she said, adding that Emily Rosa "completely misunderstood what the nature of basic research is."

Another practitioner of therapeutic touch, Marilee Tolin, who teaches the method at colleges and universities throughout the country and who treats patients at the Healing Center in Cherry Hill, New Jersey, said Emily's study was poorly conceived. Practitioners, Ms. Tolin said, rely on more than just touch to sense the human energy field. They also use "the sense of intuition and even a sense of sight," she said.

But other researchers say there is no reliable evidence that practitioners of therapeutic touch can heal patients.

CROSSWORD

ACROSS
1 Merganser's master, in story
11 Like 1-Across
14 Typewriter part
15 A Ryder
17 They have quarters in Las Vegas
18 "Jane Eyre" prequel
20 They cling
21 Petri dish gel
22 Minor league affiliate of the Pittsburgh Pirates
23 Kid's tune sung with gestures

DOWN
1 As nimble as — in a cage (old saying)
2 Legal scholar Guinier

Solution to Puzzle of April 1

FLIP MANTA CLIP
OILY ORION MOMO
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27 European wading bird
28 Classifier
29 Caribbean capital
30 Iron and toaster
31 Consider
32 Bureau
33 One way to see
34 View from Jidda
35 Use as a base

36 See 1-Across
37 Like 1-Across
38 Typewriter part
39 A Ryder
40 They have quarters in Las Vegas
41 "Jane Eyre" prequel
42 They cling
43 Petri dish gel
44 Minor league affiliate of the Pittsburgh Pirates
45 Kid's tune sung with gestures

46 See 1-Across
47 Like 1-Across
48 Typewriter part
49 A Ryder
50 They have quarters in Las Vegas
51 "Jane Eyre" prequel
52 They cling
53 Petri dish gel
54 Minor league affiliate of the Pittsburgh Pirates
55 Kid's tune sung with gestures

31 Like some MOMA art
32 Ragtime pianist called "Fingers"
33 Pit — (heartbeats sound)
34 Manner of speaking
35 Suffix with 22-Down
36 Alkabar or Arturia
37 Spin doctor's concern
38 Unprotected
39 Excluded spots
40 Bad thing
41 Roberta of "A View to a Kill"
42 Pick, with "to"
43 Minuterie
44 "New Jack City" star
45 Minuterie
46 Tiffin time
47 Gave a nod to, perhaps
48 Greek war goddess
49 W.W. II-lusue gun

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Away From Politics

• A black man, Lemrick Nelson Jr., 22, was sentenced to 19 and a half years in prison for the fatal stabbing of a Jewish scholar, Yankel Rosenbaum, during a race riot in Brooklyn's Crown Heights neighborhood in 1991. (AP)

• The ratio of boys to girls born in the United States and Canada dipped slightly between 1970 and 1990, and a study suggests that such environmental factors as prenatal exposure to pesticides may explain the change. (AP)

• A shipyard worker was crushed to death and another trapped by an aircraft elevator on the aircraft carrier John F. Kennedy at the Mayport Naval Station in Jacksonville, Florida. The elevator lifts planes from the ship's hangar bay to the flight deck. (AP)

• The Federal Communications Commission is putting a new 877 prefix in place for toll-free calls starting April 5. It will join the existing 800 and 888 numbers. (AP)

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April 20

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ASIA/PACIFIC

Supporters of Rival Leaders Clash in the Cambodian Capital

PHNOM PENH — Hundreds of supporters and opponents of Prince Norodom Ranariddh battled with rocks and sticks on a boulevard in the city center Wednesday in the sharpest confrontation since the prince's return from exile this week.

Riot policemen were unable to prevent intermittent clashes that erupted throughout the day near the Hotel Le Royal, where the prince has stayed since Monday. He returned to the country nine months after being ousted as co-prime minister in a coup by Hun Sen.

The prince's return, to take part in elections scheduled for July 26, came after international pressure on Mr. Hun Sen aimed at ensuring a fair vote.

In an interview, Prince Ranariddh urged his backers to remain nonviolent. "Please don't do any counterdemonstration that would give anyone a pretext to not let me stay longer in our country and stand for election," he said.

Hundreds of police officers armed with assault rifles and riot sticks dispersed a crowd of 500 Ranariddh supporters outside the hotel in the morning.

The supporters had been angered by the arrival of some 60 opponents of the prince. Since last weekend, officials loyal to Mr. Hun Sen have paid or ordered people to protest the arrival of the prince. The protesters carried banners echoing Mr. Hun Sen's contention that Prince Ranariddh should pay for an estimated \$5.4 million in damages to the city during the July coup. Most of the damage was caused by fighting and

looting by Mr. Hun Sen's soldiers. The Ranariddh supporters grabbed the posters and burned them.

The Hun Sen-controlled riot policemen then dispersed Prince Ranariddh's supporters, some of whom shouted, "Long live Prince Ranariddh!"

The groups returned in the afternoon, however, near the hilltop temple for which Phnom Penh is named.

About 200 protesters fought an equal number of Ranariddh supporters along one of the capital's main streets with rocks and clubs. At least one Ranariddh backer was severely beaten.

■ Khmer Rouge Set for Offensive

Thousands of hard-line Khmer Rouge guerrillas and their followers who fled to the Cambodian-Thailand border last week have returned to their base to fight a rebel faction. Reuters reported from Sisaket on Wednesday, quoting Thai Army officers.

About 7,000 guerrillas and civilians loyal to the hard-line commander Ta Mok had fled to the Sangum Pass near the Thai border last week. They were fleeing Khmer Rouge defectors who had launched an assault on the guerrilla group's base at Anloog Veng — the last major stronghold for hard-liners in the Maoist group — about 15 kilometers (9 miles) from the Thai border.

But that number had dropped to about 4,000 as hard-line guerrillas and their families had regrouped and launched a counteroffensive. Major General Wivat Saurak of the Thai Army said after inspecting the border area Wednesday.



Hun Sen supporters beating a boy in Phnom Penh on Wednesday as they clashed with Ranariddh loyalists.

BRIEFLY

Burma Gets Grant To Combat Drugs

RANGOON — The United States and Japan have pledged grants totaling \$3.8 million to help Burma eradicate poppy cultivation on its border areas, a Burmese official said Wednesday.

The pledges of \$3 million by the United States and \$800,000 by Japan were made after a two-day seminar on strategies to eradicate poppy cultivation jointly organized by the United Nations Drug Control Program and the Burmese and Japanese governments in the capital Rangoon.

This would be the first direct grant made by the United States to Burma in its fight against opium and other drugs processing since 1988 when the military seized power in the country.

Burma's northeastern border with Thailand and Laos forms the so-called Golden Triangle where poppy growing thrives. (Reuters)

Forest-Fire Haze Worsens in Borneo

KUALA LUMPUR — Haze from forest fires has worsened in a Malaysian area of Borneo, and officials Wednesday urged factories to reduce operations and residents to wear masks.

All kindergartens and schools already had been ordered closed in the Miri division of Sarawak state, where haze has come from fires in both Sarawak and a neighboring Indonesian province.

The Air Pollutant Index has passed 500, considered an emergency level, although Hama Solhee, operations coordinator for the Sarawak Natural Disaster Relief Committee, said only the federal government could declare a health emergency. (AP)

Malaysia's Pledge Over Immigrants

KUALA LUMPUR — Malaysia on Wednesday dismissed fears that more than 500 Indonesians expelled last week could be tortured, and vowed to press ahead with its plans to deport thousands more.

Deputy Home Minister Tajul Rosli Ghazali denied that authorities were rounding up Indonesians with residency papers, and said the number of repatriated immigrants had exceeded expectations.

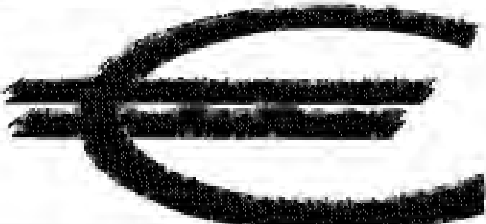
Mr. Tajul said, "We are sympathetic, but we must remember that if they come in their thousands, where do we put them? The Malaysian economy cannot sustain them." (Reuters)

For the Record

Seven people in China's northwestern region of Xinjiang have been sentenced to 5 to 11 years in prison for killing 668 wild yak, an endangered yak-like animal, a court official said. (Reuters)

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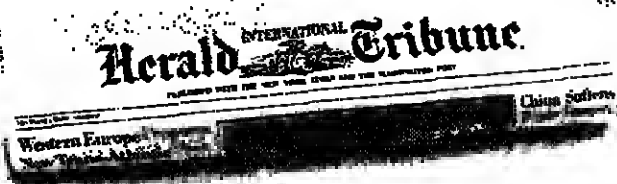
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Plea Backfires On Malaysian

KUALA LUMPUR — A Malaysian appeals court, hearing an opposition figure's appeal of a fine in a sedition case, not only refused to overturn the conviction but also sentenced the defendant to 18 months in prison.

Judge Gopal Sri Ram said that the three-judge panel had dismissed appeals by Lim Guan Eng, a member of Parliament and national chairman of the Democratic Action Party. Mr. Lim had been convicted of sedition after he published a pamphlet in 1995 that prosecutors said contained false information on a sex scandal involving a schoolgirl and a former government chief minister.

At issue on Wednesday were three appeals, two by Mr. Lim and one by the state prosecution. Mr. Lim sought to have the conviction overturned or, failing that, the fine of 15,000 ringgit (\$4,160) reduced. The prosecution sought a stiffer penalty.

The judge said the panel set aside the fine as being too light but authorized bail of 20,000 ringgit. The court also stayed the prison sentence, giving Mr. Lim the opportunity to lodge a fresh appeal with the Federal Court.

"It's time for the court to send a clear signal that we will not tolerate an attack on the judiciary," Judge Gopal Sri Ram said.

Under Malaysian law, a lawmaker is disqualified if sentenced to a year in jail, or a 2,000 ringgit fine.

Amnesty International said last year that the charges against Mr. Lim were "politically motivated, designed to intimidate dissenting voices and to limit debate on an issue of public concern."

INDONESIA: \$3 Billion Needed

Continued from Page 1
many Indonesian workers will be halved, economists said.

Since official minimum wages, which vary from region to region in Indonesia, were below subsistence levels, the freeze raised doubts about the government commitment to improve workers' welfare. The Jakarta Post said Wednesday.

"It is a major setback after years of hard work to try to ensure that workers get their minimum fair share," the paper said.

Medicines in Indonesia are in short supply or prohibitively expensive because of their imported content. So, too, is hospital and medical equipment, including such basic items as syringes.

A withering drought caused by the El Niño weather pattern has cut agricultural output, including rice, which is the staple food of Indonesia's 200 million people.

The unusually dry conditions have caused forest fires, lit by farmers and plantation companies to clear land, to rage out of control since July, especially in Indonesia's East Kalimantan province on the island of Borneo.

Fires there and in parts of Sumatra blanketed much of Southeast Asia in smog-laden smoke for several months last year, disrupting transport and tourism and causing health problems. There are fears that northerly winds will result in a recurrence of the smog blanket later this year.

As hundreds of fires burned in East Kalimantan, the Center for International Forestry Research in Bogor, Indonesia, said Wednesday that the government's attempt to prevent the conflagration was being reduced by the economic crisis and shortage of money.

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GO: 0.9800 FOD: 0.5476
SCSP: 1.36

ALLEMAGNE (zone D) DM - TVA 16%
GO: 0.87 SCSP: 1.26
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BELGIQUE en FF - TVA 21%
GO: 21.16 FOD: 9.87
SCSP: 32.40 SCSP: 30.41

HOLLANDE (zone A) en Gld - TVA 17.5%
GO: 1.29 FOD: 0.59
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LUXEMBOURG en Lfr - TVA 15%
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EUROPE

Arms Lobby Investing Heavily in NATO Growth

By Katharine Q. Seelye
New York Times Service

WASHINGTON — American arms manufacturers, who stand to gain billions of dollars in sales of weapons, communication systems and other military equipment if the Senate approves NATO expansion, have made enormous investments in lobbyists and campaign contributions to promote their cause in Washington.

The end of the Cold War has shrunk the arms industry and forced it to diversify. But expansion of the North Atlantic Treaty Organization — first to Poland, Hungary and the Czech Republic, then possibly in more than a dozen other countries — would offer arms manufacturers a new and hugely lucrative market.

America's six biggest military contractors have spent \$51 million on lobbying in the past two years, according to an analysis prepared for The New York Times by Campaign Study Group, a research company in Springfield, Virginia.

If lobbying costs were included from all companies that perform military-related activities, such as computer and technology concerns, they would dwarf

the lobbying effort of any other industry. Not all of the lobbying has been for NATO expansion, however. Contractors have billions of dollars' worth of other business before Congress. But NATO expansion has been a central concern because it offers so many opportunities.

The military industry also remains the most generous contributor to congressional candidates, the study group said, giving nearly equally to Democrats and Republicans.

The four dozen companies whose main business is arms have showered candidates with \$32.3 million since the collapse of communism in Eastern Europe at the beginning of the decade. By comparison, the tobacco lobby spent \$26.9 million in that same period, 1991 to 1997.

The top six U.S. military companies increased their contributions to federal campaign committees as well, to \$2.4 million in 1997 from \$1.5 million in 1991.

In the past six years, those six — Lockheed Martin, Northrop Grumman, Textron, Raytheon, Boeing and McDonnell Douglas — have given the committees more than \$15 million.

"Like any other American manufacturer, they are looking for markets

abroad," said Senator Daniel Patrick Moynihan, a New York Democrat who opposes the proposed NATO expansion. "Most every other customer they can think of, we have forbidden them to sell anything to."

Under NATO rules, new members are required to upgrade their militaries and make them compatible with those of the Western military alliance, which over- sees the most sophisticated — and expensive — weapons and communication systems in the world.

Companies that win contracts to provide that "interoperability" to the aged Soviet-made systems in Eastern Europe will benefit enormously from NATO's eastward expansion.

Thus the sums spent on lobbying and for campaign contributions are relatively small compared with the potential benefits in the new markets provided by a larger NATO, particularly from the sale of big-ticket items such as fighter aircraft.

A single F-16, made by Lockheed Martin, costs about \$20 million; a single F-18, made by Boeing, costs \$40 million to \$60 million. Poland alone wants to buy 100 to 150 fighter planes and is weighing offers from Lockheed and Boeing as well as from companies in

Britain, France and Russia.

"It's a big deal," said a Polish official who spoke on condition of anonymity. "They are doing their best," he said of the companies. "They are very active."

The argument is not that NATO is being expanded for the benefit of military contractors. President Bill Clinton committed himself more than four years ago to broadening the alliance as a way to unite and stabilize Europe, and his administration has worked to promote the expansion as the cornerstone of his legacy in foreign policy.

Nor are the military contractors alone in their support for expansion, although few other constituencies in the United States care as much. There has been virtually no organized opposition to NATO expansion, and the public has not been engaged.

The arms manufacturers quickly latched onto the idea and over time helped the administration sell it.

"It's not a case of whispering in Clinton's ear and saying, 'Expand NATO because we want to sell arms,'" said William Hartung, author of a recent report for the World Policy Institute, a private arms-control group that opposes expansion. "But they've become one of Clinton's most energetic allies in promoting it."

The chief vehicle of support for NATO expansion is a group called the U.S. Committee in Expand NATO, which is backed by the arms industry. The committee president is Bruce Jackson, who is also director of strategic planning for Lockheed. Corporate sponsors are also supporting ethnic groups that have championed NATO membership for their native countries.

This has led to some skepticism in the Senate. Senator Tom Harkin, Democrat of Iowa, said the lobbyists had been so effective that the expansion amounted to "a Marshall Plan for defense contractors who are champing at the bit to sell weapons and make profits." A Republican aide in the Senate joked that the arms makers were so eager for NATO expansion that "we'll probably be giving landlocked Hungary a new navy."

That zeal by the contractors, the extensive spadework by the administration and the support of Senator Jesse Helms, the North Carolina Republican who is chairman of the Foreign Relations Committee, have led to the virtual certainty that the Senate will approve the treaty to admit the Poles, Hungarians and Czechs.

Debate started two weeks ago but was postponed until later this spring in the hope that the issue would receive a more focused hearing then.

BRIEFLY



FACING A DEADLINE — Britain's Northern Ireland secretary, Mo Mowlam, leaving the site of peace talks in Belfast on Wednesday. Negotiators are trying to reach an agreement by next Thursday.

Holbrooke to See Turkish Cypriot Chief

Reuters

ANKARA — A special U.S. envoy, Richard Holbrooke, will meet the Turkish Cypriot leader, Rauf Denktash, in Cyprus this week to discuss the division of the island, Turkey's Foreign Ministry said Wednesday.

"He will go to the Turkish Republic of Northern Cyprus on Friday evening and meet Denktash," said a spokesman, Necati Ukan. He referred to a part of Cyprus that is recognized only by Ankara.

The spokesman said the two would hold formal talks on Friday and have breakfast the following morning. Mr. Holbrooke, who helped negotiate the truce in Bosnia as a State Department official, is now a banker but has been named by President Bill Clinton as a troubleshooter envoy for Cyprus.

Officials in the Turkish Cypriot enclave said Tuesday that it could fully integrate with Turkey if a dispute with the European Union over membership for the island span out of control.

The EU officially began membership negotiations this week with the

internationally recognized Greek Cypriot government of Cyprus, angering Turkey and Turkish Cypriot enclave.

The Turkish spokesman said Mr. Holbrooke would visit only the Turkish Cypriot sector of Cyprus, which has been divided since Turkey invaded in 1974 in response to a coup attempt in Nicosia backed by the military government then ruling Greece.

Tension has mounted between the two sides since the European Union announced plans last year for Cyprus to enter the 15-nation group while Turkey was left out.

The Turkish Cypriots are not part of the EU talks.

Hopeful on Getting Missiles

The Cypriot defense minister, Yiannakis Omirou, said Wednesday that the government remained hopeful of overcoming Italy's misgivings about completing a delivery of Aspid 330 missiles, Agence France-Presse reported from Nicosia.

"There were some difficulties with the export licenses but we are in con-

tact with the Italian government and the problems should be overcome," Mr. Omirou said.

Earlier this week, a government spokesman, Christos Stylianides, admitted that the Italian government was having second thoughts about completing an order for the ground-to-ground missiles.

Mr. Stylianides said Italy's ambassador here, Francesco Bascone, reported "serious concern at high levels in Italy about completion of the order."

The defense minister said the order for the missiles, which have a range of up to 150 kilometers (90 miles) and can be converted to ground-to-air use, had been placed in 1996 and was due for completion "now."

The Cypriot government has come under international pressure to cancel an order for Russian S-300 ground-to-air missiles. On Tuesday, President Boris Yeltsin said that Russia would go through with the sale.

Turkey has threatened a military strike against the missiles if they are deployed.

French Student Dies In School Gun Play

rael, would be made public only at its conclusion. (AP)

LILLE, France — A French secondary school student died Wednesday after playing with a pistol in class, raising an outcry over the presence of guns in schools.

The 18-year-old youth apparently thought his father's pistol was unloaded as he and his best friend toyed with it at the back of the room during a science class in northern France on Tuesday, the police said.

Education Minister Claude Allègre called on the Interior Ministry to establish security checks to prevent the entry of weapons into schools. (AFP)

Austrian Coalition Is Divided on NATO

VIENNA — Austria's government said Wednesday it was still split over whether the country should join NATO, saying it could not meet a self-declared deadline to find a compromise position on the issue.

Chancellor Viktor Klima, of the Social-Democratic Party, announced the failure after last-ditch talks with Foreign Minister Wolfgang Schüssel of the People's Party, the junior coalition partner.

The government has been divided over the issue for months, with the People's Party for and Mr. Klima's party against. They had set an April deadline to submit a recommendation on the issue to Parliament. (AFP)

German Fears Crime As Borders Open Up

BONN — Interior Minister Gaetano Beckstein of Bavaria warned Wednesday that the full opening of Germany's border with Austria could lead to a surge in crime.

Austria joined the Schengen agreement removing borders within nine European countries in December, but the passport-free border went into full effect only Wednesday.

Mr. Beckstein evoked a nightmare scenario of foreign criminals and illegal immigrants pouring across the frontier into Germany through the border state of Bavaria. "We need a net nationwide that is not a burden on citizens," he said. (Reuters)

French Right Seen As Lacking Ideas

PARIS — More than half of French voters say the country's conservatives have no idea how to resolve a crisis set off by deals with the far-right National Front, a poll said Wednesday.

The right was thrown into disarray last month when five members of the Union for French Democracy allied with the Front to win election as regional council chairman. The Union has effectively collapsed since then.

Fifty-seven percent of voters polled by Ipsos said they thought the right had no "project for the future of France." (Reuters)

Swiss Continue Case Against Israel Agent

BERN — Switzerland's cabinet Wednesday authorized the federal prosecutor's office to continue legal action against an Israeli agent detained since a botched spying operation here in February.

The government has to give such authorization in political cases.

The detained Israeli is one of five people said to have been caught trying to bug a apartment block in the Bern suburb of Liebefeld. He was detained after being found in possession of wiretapping equipment; the other four people were released.

Officials said information about the investigation, which has strained relations between Switzerland and Is-

Romanian Nominee For Prime Minister

BUCHAREST — Romania's leading political party Wednesday chose its leader, a 55-year-old economist, as its candidate for prime minister.

The National Peasant Party nominated Radu Vasile to replace Victor Ciorbea, who resigned Monday after a three-month battle on how to tackle Romania's economic woes. Mr. Vasile has the support of all four parties in the governing coalition.

President Emil Constantinescu is expected in name a prime minister Thursday. (AP)

UN Bans Arms For Yugoslavia

Washington Post Service

UNITED NATIONS, New York — The Security Council has imposed an arms embargo on Yugoslavia to put additional pressure on President Slobodan Milosevic to employ dialogue rather than violence in resolving tensions with ethnic Albanians in Kosovo.

The council's vote was in response to a call for cutting off arms supplies to Yugoslavia issued March 25 in Bonn by foreign ministers of the six-nation Balkans Contact Group that is seeking to head off a potentially new ethnic conflict in the Balkans.

With the United States urging an especially tough stance, the Contact Group is trying to get Mr. Milosevic to stop a crackdown by Serbian police on the Albanians who make up 90 percent of the province's population.

Fourteen members of the council voted for the embargo resolution Tuesday night. China abstained. China, concerned about challenges to its control of Tibet, argued Tuesday that Kosovo was an internal matter for the Yugoslav government.

The embargo is unlikely to have a large impact, since Yugoslavia has a huge military advantage over the Albanian separatists, who are also covered by the ban.

RUSSIA: Yeltsin Defuses Tension by Inviting Deputies to Talks

Continued from Page 1

roundtable talks in the next few days.

The Federation Council also approved a softly worded resolution calling for talks with Mr. Yeltsin.

Mr. Yeltsin's invitation and the Duma's response were the latest surprises to emerge from Russia's political box of tricks. The president dismissed his entire cabinet last week and then named Mr. Kiriyenko as the man he wanted to replace Viktor Chernomyrdin as prime minister.

Russian and international financial markets have remained relatively san-

guine about the country's political crisis. But the Moscow representative of the International Monetary Fund said that time was being lost for Russia's economic reforms.

"One has to be concerned that some precious time is being lost," said the representative, Martin Gilman. "But they may make up for it."

He said the uncertainty should not prevent the new Russian government from signing its deal with the IMF for 1998. He was referring to policy commitments underpinning a \$9.2 billion loan, signed in 1996 and extended in February until 2000.

Addressing the Federation Council on Wednesday, Mr. Kiriyenko himself painted a pessimistic picture of a stagnating Russian economy and falling living standards.

He pledged to use "a strong hand" to make the benefits of reform more tangible, and said he would work under the banner: "A strong state, strong authorities, strong government."

The Communists and other parliamentary groups say they will not accept Mr. Kiriyenko, arguing that he is too inexperienced and unlikely to change his predecessor's liberal policies in the two years before the next presidential election.

PAPON: After Hearing His Final Plea, Jury Begins Deliberations

Continued from Page 1

ushered from the courthouse and driven away in an armored vehicle to await the judgment.

The jury deliberations that began immediately afterward have no time limit, but a verdict was expected during the night. The panel must consider 764 questions, or counts, against Mr. Papon concerning his role in ordering the arrest, detention and eventual dispatch of 72 French Jews on train convoys from Bordeaux in 1942, 1943 and 1944.

At the time, he was the second-ranking official in Bordeaux in the nominal

French administration of what was essentially German-occupied territory. When the first trains left Bordeaux for Auschwitz, only two of today's jurors were alive.

The voting presence in the jury room of the trial's presiding judge, Jean-Louis Castagnede, and his two associate judges is supposed to ease the other jurors' consideration of so much detail enveloped in legal definition.

After presiding nearly two hours of evidence that Mr. Papon, like his victims and most of the world, was unaware of the Nazis' elaborate design for genocide until the end of the war, the chief defense

lawyer, Jean-Marc Varaut, left the jury with a freighted question: "Can one be an accomplice to a crime one doesn't know about?"

The votes of eight jurors are required for a conviction. If Mr. Papon is convicted, judicial appeals probably will mean that he will never go to jail.

A Stop at a Hospital

Mr. Papon stopped at the Haut Leveque hospital near Bordeaux after leaving the court, Agence France-Presse reported.

He has undergone regular check-ups at the hospital, usually on Wednesdays, during the six-month trial.

NEW YORK FASHION

Floating Into Gotham and the Web: The Cape

By Suzy Menkes
International Herald Tribune

NEW YORK — A pall of gray felt hung over Gotham City. The fashion world was lost in a fog of ankle-length skirts and soggy sweaters. Enter the caped crusader!

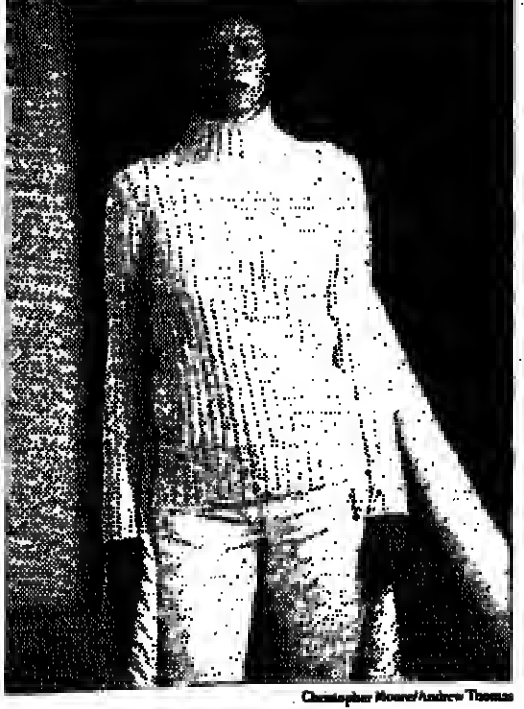
Helmut Lang, showing for the first time in New York, came to fashion's rescue with his dazzling fall collection. His spirited sportswear, based on a flying, floating or enveloping cape, was modern, original and inventive. So was the presentation. For the Austrian designer eschewed the runway in favor of a CD-ROM of digital images that went out on the World Wide Web.

Anyone with access to the Internet can click on to Lang's cool clothes in warm fabrics: a clotted-cream parka in fluffy alpaca over ice-white mole-skin pants; a tailored ivory coat with a silk jersey lining and airy tweed pants; and a new-look sweater set, in which a down-filled cashmere shawl is slung from shoulder straps like an unfurled backpack.

Visiting the showroom to touch the clothes and stroke the dense, soft surfaces, added a further dimension that even the celebrity model Daryl Hannah could not create on film.

"Richness and drama," said Lang to describe the effect of the deep-pile luxury in lightweight fabrics and the dashing capes and flying panels. That could mean a sweater with one ultra-elongated sleeve floating like a wisp of smoke at the cuff. It emphasized a modern romance.

The concept of the cape has been hovering over the international collections as part of a medieval-injunct theme. In Lang's show, it became an inviolable way to liberate the body from strict minimalism and to give an upscale elegance to



Lang's ribbed sweater with shawl-cape.

or giving them a new angle — was a refreshing way to move on from minimalism.

The irony is that Lang's collection was showing what American designers should do best: sportswear taken to a new dimension, without losing any of its innate modernity and ease. It is ironic too, that if the collection had been put on the runway, it would have knocked the socks off the competition.

The urge to give fashion an "edge" can lead designers into big trouble. Richard Tyler has recently shown in his New York town house, to display couture details. But for his fall collection he moved to a Chelsea warehouse and went all artsy, with lumpy, frumpy long skirts, bloused bodices, truncated trousers with awkward pleats, paired with zippered leather jackets. The result was disastrous.

The collection seemed designed for an unusual woman: one who longs for an opulent outfit to add inches to her hips.

Why would a designer whose constituency is glamour, present plunging necklines that were flattening rather than flattering, sequined gowns looped up with stringy leather belts and embellishments that would bobble a neckline or flood a bodice? The occasional simple, long coat or draped black dress was a reminder of how good Tyler can be.

Since a uniform look of long, gray clothes has invaded the New York runways, it was pleasing to see Vivienne Tam marching to a different time. The Hong Kong-raised designer had moved her inspiration from the Pacific Rim to the Asian heartland of Bhutan, for Chinese print jackets that had fleece linings and peasant plaids that were worked in sequins. The fiery lacquer reds, glowing yellows and star bursts of sequins made cheery evening clothes that had the front-row celebrity Julia Roberts exclaiming: "That's fabulous!"

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The Cyprus Mess

The bids by Cyprus and Turkey to join the European Union were once thought to provide incentives for an easing of tensions between Greece and Turkey and between Greek Cypriots and Turkish Cypriots, too. A general settling down of an agitated corner of Europe seemed the potential diplomatic prize. But that was before the European Union fulfilled the opportunity away. Now there is fresh talk of war, and it's American diplomacy to the rescue, again.

It was awkward enough when the European Union took in Greece but not its strategically more powerful but economically and politically less ready rival, Turkey. That invited Greece to play the gatekeeper. Germany, inspired in part by its domestic argument over Turkish guest workers, took up a similar role. As a result, the Turks were insultingly denied a place in the queue of would-be EU new members. Others, including Cyprus and the new Central European democracies, went right into the line. The Turks countered excessively by suspending talks between the Greek government of divided Cyprus

and the enclave that Ankara controls in the north, by threats to annex the enclave, and by military gestures. Greek Cypriots impudently ordered anti-aircraft missiles from Russia.

A year ago it was possible to wonder why the United States should get into this particular European mess. The answer — the right answer — was and is that the American leadership role in NATO makes Washington the rescuer of last resort when two alliance members depart reason.

The Europeans, however, should not be left off the hook. Greece and Turkey are not Middle East, they are Europe, Western Europe. This is not 1945, it is 1998. Europeans should have been able to compose a single political intelligence to deal with the Greek-Turkish question. At the least, the European Union could have handled its accession affairs in a manner that, if it did not ease national grievances, would not have aggravated them. Now the United States is left to help, if it can, bring Greeks and Turks back to the starting line.

—THE WASHINGTON POST.

Peru and Ecuador

Now that virtually all wars are internal conflicts, most of them ethnic or religious, the hostilities between Peru and Ecuador are a throwback. The clash last erupted in 1995. Since 1942, Peru and Ecuador have gone to war three times over border areas that both countries claim. Now, however, this traditional war may be coming to a very modern end, since the two have agreed on the outlines of a peace treaty that would set up trade, commerce and joint access to the disputed land that started the war.

The two nations have been arguing over the territory since Spanish colonial times. In 1942, a treaty called the Rio Protocol awarded the land to Peru. Ecuador ratified the pact but then repudiated it, and its maps still show the old borders. The land matters symbolically, as it is the basis of Ecuador's proud claim to be an Amazon country. The 1995 fighting killed dozens of people and wounded hundreds. Since then Peru has bought more jet fighters and bombers. Nationalist politics on both sides could push the countries back to war. Fortunately, this ancient dispute is now facing some modern solutions, including regional diplomacy and co-

operation, and the decision of both nations that trade and growth are more important than nationalist symbols.

The two stopped fighting when leaders of Brazil, Argentina, Chile and the United States organized peace negotiations. In January, both nations signed an agreement setting May 30 as a target for a peace treaty, and four committees are working out the details.

The basics are already there. Ecuador will give up its quixotic claim to the disputed land. In return it will have permanent access to the Amazon, which is closed to it today. The two countries would also work together on development projects, such as roads, irrigation and hydroelectric plants.

The Peruvian negotiator has rightly said the two nations should focus on their common enemies — poverty and underdevelopment. The apparent success of regional diplomacy shows how Latin America's pursuit of a business-friendly climate has changed the continent. Such a focus has had mixed results, often pushing aside the poor. But one of its positive aspects is that Latin America now wants to make money, not war.

—THE NEW YORK TIMES.

Hypocrisy in Congress

Republican leaders in the House of Representatives have followed the unfortunate example of their Senate counterparts on campaign finance reform, only even more clumsily. Their goal was to kill reform but avoid the blame. They may have failed at both.

Republicans have spent a year and a half claiming to be indignant about the fund-raising abuses in the last campaign, which were considerable and the work of both parties. But, given the chance to change the law to ban the principal abuse, having to do with the raising and spending of so-called soft money, they flinch. They like the money even more than they like delivering the sermons deploring its influence over the system of which they are a part.

Their leaders' problem this year has been to avoid or provide some protection against the charge of hypocrisy — that in their piety they, no less than the Democrats, are trying to have it both ways. The tactic has been to offer up mock reform bills that they could be pretty sure (a) would not pass, in part because they were written to be offensive to Democrats, and (b) would not achieve reform if they did pass. Republicans who wanted could safely vote "aye" and provide themselves with cover, secure in the knowledge that nothing would be enacted.

The tactic failed in the Senate, where, to the leaders' consternation, a majority turned out to be in favor of real reform. The leaders were put in the anomalous position of having to filibuster to keep the Senate from exercising its will. Pretty much the same thing has now happened in the House. Fake votes were staged Monday night on mostly fake bills; no one was fooled.

A discharge petition is now being circulated anew in the House to take control from the leadership and force a series of votes on real reform, including a ban on soft money. The petition

was what the mock vote had been meant in part to avert.

In the Senate, the Democratic leadership ought to start offering the do-floated reform bill as an amendment to other legislation.

The fund-raising system is corrupt. In the end, the very members who look to be its beneficiaries are the ones it taints. Banning soft money would not solve all the problems, but it would solve some. They ought to do it. Other than raising still more money, they're sure not doing anything else of consequence.

—THE WASHINGTON POST

Other Comment

A Culture of Violence

The shooting in Jonesboro, Arkansas, makes three incidents in the past couple of months in which children have turned firearms on their classmates and teachers. Guns have always been a part of American culture, so it is hard to lay the blame there, or else explain why things like this were not happening 20, 50 or 100 years ago. Something significant has occurred in the past couple of decades.

We have left our children to the good graces of a popular culture where pulling a trigger is the answer to any and all conflicts, where death is viewed without consequences.

When I was 11, I thought "Ben Hur" was the most gruesome movie ever made. Compare that with what today's kids have thrown at them every day — computer games like Quake and Duke Nukem, where murder and mayhem are the simple pleasures, and taking a chain saw to your opponent gets extra credit. It's no wonder we've created a generation of sociopaths who lack a moral center to their lives.

—From a letter to The Washington Post.

Basic Ways to Make a Real Difference in Africa

By Tony Addison

HELSINKI — The renewed interest of U.S. policymakers in Africa comes at a critical juncture in the continent's fortunes. For nearly two decades, Africans have struggled to revive economic growth, yet much of the continent remains mired in deepest misery.

Asia's present problems, although severe, pale in comparison with Africa's. An African child born in 1980 is now a young adult. Much of his or her future has already been fashioned by a lack of primary schooling and by inadequate health care. As a consequence, Africa's "human capital" is the weakest of any developing region.

Not only is this a human tragedy, but the lack of skills undermines Africa's ability to attract the direct foreign investment it so desperately needs to refashion its economies.

If low wages were all that foreign investors required, every multinational would move to Ethiopia. But foreign and domestic entrepreneurs need skilled labor and good infrastructure. Africa has too little of these. So foreign investment will continue to flow overwhelmingly to Asia, Eastern Europe and, increasingly, Latin America.

Much recent attention has quite rightly focused on the tragedies of

Rwanda and Congo. But there is also a group of desperately impoverished countries whose ill-fated experiments with state socialism in the 1970s interacted with superpower rivalry to create conflict and economic collapse.

Angola now appears to be starting on the road to reconstruction. Ethiopia and Mozambique are rebuilding. Eritrea is a new nation born out of war. But last year's vicious civil war in Congo (Brazzaville) has derailed a promising economic recovery, and Somalia pursues its uncertain trajectory.

All of these countries have underdeveloped human resources, all face problems of political and economic transition. Their reconstruction is an urgent issue. State capacity is weak or barely exists, conflict has fractured civil society, and poverty is deep.

Where better for U.S. foreign policy to start than in these countries? By placing the problems of post-socialist, post-conflict Africa at the top of its foreign policy agenda, Washington could make a real difference. Success would reduce the immense humanitarian burden now borne by the United

Nations, and release resources to meet urgent needs elsewhere.

If these countries do not recover successfully, their plight will undermine the region's stability. The military and political interaction last year between Angola's crisis and those of the two Congo demonstrates this.

Successfully rebuilding the economies of Eritrea and Ethiopia would stabilize the Horn of Africa and demonstrate ways forward for reconstructing Somalia when the time comes.

What better place to start than with the human capital of young Africans? Mozambique is trying, with its limited resources, to rebuild its primary schools. Its primary health care system was once a model for Africa, before 16 years of war destroyed 60 percent of the country's rural clinics.

Ethiopia and Mozambique are "highly indebted poor countries," in the IMF and World Bank jargon. In plain English, this means that they have no chance of servicing or repaying their debt (most of which is owed to official development agencies) from their meager export earnings. And each dollar taken from their government budgets to service that debt is a dollar less for education and health.

America should put its weight behind debt relief and new resources for Africa. This, together with help in the areas of trade and foreign investment, can return the region to the growth that it has missed in the last 20 years.

Russia should also make a contribution. Ethiopia and Mozambique still have debt outstanding on loans from the former Soviet Union. Much of it was contracted to finance military procurement and hopeless Soviet-style projects in industry.

The U.S. and Russian governments should join to kick-start economic recovery in the post-socialist, post-conflict countries of Africa. This would finally clear away the African debris of the Cold War, and it would give young Angolans and Eritreans the new future they so desperately need.

The writer, a research fellow at the United Nations University's World Institute for Development Economics Research, directs a project on underdevelopment, transition and reconstruction in Africa. In 1994 and 1995 he helped design the government of Mozambique's strategy for poverty reduction. He contributed this comment to the International Herald Tribune.

Evolving Russia Is Still a Long Way From Democracy

By Max Jakobson

HELSINKI — It may take some time before the plot, or the plot within the plot, of the latest political spectacle produced and directed by Boris Yeltsin in the Kremlin will be fully known. But we do not have to wait for the denouement to see that it exposes the hollowed-outness of the democratic institutions that have been erected, like a stage set, on the ruins of the Soviet system.

At center stage, the president is a shadow of the heroic figure who had the guts to climb atop a Soviet tank to harangue troops sent to arrest him.

His second term in office began, in 1996, in a less glorious manner. Having concealed the true state of his health from the voters, Mr. Yeltsin was swept to victory by a massive campaign financed by a group of new-rich tycoons bent on protecting their fortunes against a possible Communist comeback.

Since then he has been a half-time president, emerging now

and then from his dacha to prove that he is still in charge. He says he wants to accelerate reform, but the decrees he signs tend to get lost in the labyrinth of the vast bureaucracy surrounding him.

Czar Nicholas I told the French Marquis de Custine in 1839: If I had five honest men, I could rule this country. Czar Boris I keeps reshuffling his government in a search for five such men.

The State Duma is dominated by the red-brown alliance of Communists and ultranationalists, who wage a rear-guard battle of obstruction and delay against reform. They are likely to stop short of provoking a presidential decision to dissolve the Duma and order new elections, since few members are prepared to risk their generous perks and privileges.

The media, now free from government censorship, have

passed into the control of financial tycoons who use the newspapers and television stations for political manipulation, and now also to fight each other by means of lurid revelations of corrupt or criminal practices.

Some Russia-watchers try to console us by pointing out that the free-for-all in the Russian marketplace is just like the brutal early stages of American capitalism; in due course the Russian "robber barons" will have amassed their fortunes, will become defenders of law and order, pillars of society. But the analogy is flawed.

The early American capitalists made their money by developing their own country. The Russian tycoons have profited from bargain sales of state enterprises, and they invest their money abroad.

Grigori Yavlinsky, leader of the reformist Yabloko party in the Duma, said at a Trilateral

Commission conference in Berlin this month that Russia must create a civil society as a basis for genuine democracy in order to put an end to the semi-criminal economy that now exists.

But the legacy of almost 80 years of totalitarian rule stands in the way. The democratic parties have no roots among the people. The only party with a nationwide organization is the Communist Party, an enemy of democracy.

A civil society of sorts does exist, in the form of networks of private relations without which the Russian people would not have survived. But it is disconnected from political life.

Russia pretends to be a Western democracy, and the West pretends to believe it. Not to do so would be to question the universal validity of the Western system of parliamentary democracy and market economy, and that would be politically incorrect behavior.

Yet it is clearly unrealistic,

and indeed arrogant, to expect that organs of the Western system can simply be transplanted onto the body of a great nation that for more than a thousand years has followed its own path.

This is not to say that Russia could not change. Profound changes are in fact taking place below the political surface. There can be no doubt that eventually Russia will find its own post-Soviet system of government. But it is not likely to be a copy of the Western model.

Russia remains split between the old and the new. The bones of the last czar and of the members of his family have been exhumed and will soon be given a proper funeral. The mummy of the man who had them killed is still on view in a mausoleum, an object of veneration.

The writer is a former Finnish ambassador to the United Nations. He contributed this comment to the International Herald Tribune.

Russia and America Aren't Foes but Have to Be Rivals

By Alexei K. Pushkov

MOSCOW — "I will disappoint you. I will not be fired," Yevgeni Primakov retorted at a press conference in Bonn, when asked whether he would stay on as foreign minister after the recent fall of the Russian government.

For quite a few in the United States, disappointment it was. Mr. Primakov is demonized in the American press as the evil genius of a Russian foreign policy that tends to oppose America whenever it can, be it over Iraq, Iran or Kosovo.

But this is a false judgment, and an unfair one to Mr. Primakov. His aim is not to confront America but to pursue Russian national interests. The problem is that those interests enter into contradiction with U.S. policies more often than they coincide with it.

The eventual departure of Mr. Primakov would not change that basic fact.

This is not to say there are no common grounds for action.

On Iraq, Russia and the United States cooperate on the basis of a common UN Security Council platform and share important goals. They agree that all weapons of mass destruction which Iraq might have should be destroyed, and that sanctions should stay in force until there is full evidence that Baghdad has stopped working on such weapons.

Moscow also understands that without the U.S. military forces in the Gulf region and the threat to use them, Saddam Hussein would have been much less inclined to listen to Russian diplomats and Kofi Annan.

The Russian and U.S. approaches to the Iraqi crisis were complementary. Only their combination could assure success for the Annan mission. "It

was a sort of teamwork," says a top Russian diplomat.

But at some point this teamwork stops. Moscow is against the so-called military solution because it will fail to solve anything, while certainly delaying the day when the sanctions are lifted and Baghdad starts to pay Russia back its \$7 billion debt, as Russian oil companies start operations in Iraq.

Also, Mr. Primakov starts from the assumption that Saddam Hussein is the undisputed master of Iraq, and that as long as this remains the case he is the one to deal with.

U.S. and Russian approaches are even further apart on Iran.

Russia is threatened neither by Iran nor by the terrorist groups it reportedly supports. For Moscow, the danger of radical Islam is associated not with Iran but with the Chechens or

the Taliban fundamentalists. Iran is important to Russia because they share approaches to the Caspian Sea oil resources and Iran plays a significant role in the Transcaucasian and Central Asian areas, which remain a high priority for Russia. Iran is a traditional trade and economic partner, and a source of lucrative deals in the oil and gas area. Tehran supports Moscow's positions on oil and gas pipeline routes from the Caspian area.

Moscow sells Tehran arms and nuclear reactors, and is ready to engage, together with France and Malaysia, in a multi-billion-dollar gas transportation project on Iranian territory.

There are strong mutual suspicions, too. Americans accuse Russians of selling missile technologies to Tehran. Moscow strongly denies this and suspects Washington of trying to squeeze Russia out of the lucrative Iranian market.

There is no easy way out of this deadlock. Russians fail to see why they should not sell Iran nuclear reactors of the same type the United States agreed to give to North Korea (which cannot be used for making weapons plutonium), and why they should abandon an \$800 million contract for construction of a nuclear power plant in Iran. Moscow insists that its cooperation with Iran is limited to civilian nuclear power and complies with the restrictions of the International Atomic Energy Agency.

Russia is ready to show some

restraint by not signing any new deals on sales of arms to Iran. But it does not think it should shun ties with Tehran at a time when the U.S. policy of "containment" is not accepted even by America's European allies.

There are different perspectives on Kosovo as well. The U.S. policy might result in further partition of Yugoslavia. As a multinational state with secessionist pressures in a number of its own Muslim regions, Russia has to weigh the implications of such an outcome.

The end of Communist ideology in Russia precludes a new global confrontation. It does not preclude rivalry due to difference of interests. The Iraqi crisis showed that it can be a rivalry of partners. Such rivalry supposes a capacity to listen to each other and a desire to reach a balance of interests.

The writer is foreign affairs columnist for the daily Nezavisimaya Gazeta and a member of the board of the Russian Council on Foreign and Defense Policies. He contributed this comment to the International Herald Tribune.

Correction

A commentary on this page yesterday, "The Trouble to Remove in Iraq Is Saddam Himself," was mistakenly attributed to Thomas L. Friedman. The writer was A. M. Rosenthal. We apologize for the error.

Flogging Cigarettes Elsewhere

By Jim Hoagland

WASHINGTON — In 1986, Witold Zatonski, a Polish physician who brings a missionary's zeal to his work, told a Washington Post reporter a "state secret": Poland's Communist rulers contributed to the nation's appalling health problems.

Today in Warsaw he focuses on a new threat: American tobacco companies.

Dr. Zatonski, director of Warsaw's most important cancer research and treatment center, spluttered as he described big tobacco's push to outflank the curbs contained in legislation being shepherded through the U.S. Senate.

Sitting beside him in Washington was an equally outraged Mark Palmer, who was U.S. ambassador to Hungary as the Cold War ended. The United States and its allies "worked for 45 years to get the Communists out," he said. "And when we did, the Marlboro Man rode into town to claim the victory."

"In Ukraine a few weeks ago I counted 25 billboards on the way into town from the airport, and 19 were selling cigarettes with messages that said directly or indirectly: Be American, smoke American."

In Russia, the first advertisement in Red Square was for a cigarette called "West." In Poland, L&M cigarettes are advertised as "Really Amer-

ican." In Hungary, where smoking and tobacco-related deaths have soared, U.S. companies are expanding free-sample promotions and advertising that is being restricted or outlawed in the West.

A coming foreign policy battle concerns America's responsibility for the enormous cultural and social impact it now has abroad, with smoking marketed as a national U.S. characteristic that others should emulate. Replacing GI Joe with Joe Camel could harm U.S. national interests.

The argument that the United States will eventually reap a harvest of resentment and financial claims from abroad rests on two assumptions that I find persuasive.

One is that Western companies are knowingly preying on societies that are particularly vulnerable to the marketing of a product which causes disease and death. These societies have not developed the public health infrastructure and educational programs that finally led to declines in smoking in the West.

"To keep the people quiet, the Communists provided cheap cigarettes, vodka and fatty sausages," Dr. Zatonski says. "Is it any wonder that the life expectancy of young

males in Russia and much of Eastern Europe today is lower than in sub-Saharan Africa?"

In former Warsaw Pact countries, in China, India and elsewhere, cigarette taxes provide a major source of government revenue. Campaign contributions, or bribery, make the politicians look the other way as smoking skyrockets.

Secondly, it is now clear that U.S. companies have decided to make up for lost profits at home by maximizing profits abroad. Chinese and Hungarian teenagers are fenced in as American teenagers are fenced out of cigarette marketing campaigns.

The Clinton administration has been curiously reticent about legislative proposals designed to prevent U.S. tobacco companies from doing abroad what they cannot do at home.

American embassies no longer help promote smoking and cigarette sales overseas, as they once did, but Mr. Palmer and others complain that there has been no clear U.S. leadership to fund anti-smoking campaigns abroad.

There should be. President Bill Clinton can take action to prevent a successor from having to tour Eastern Europe or India one day to apologize for a new failure of American sensitivity and moral fair play to the vulnerable abroad.

The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Blow in the Face

NEW YORK — Spain's reply to President McKinley's last representations comes like a blow in the face to the peace party. The President asked for bread and he receives a stone. He insisted upon the independence of Cuba, and Spain replies with another proposition of autonomy. As regards the war party here, Spain's evasive, almost contemptuous, reply adds fresh fuel to their frenzy and, were Congress not under a pledge to the President to wait till Monday [April 4], they would declare war at once.

1923: Bulgaria Trial

SOFIA — After a trial lasting more than a year and a half, before a Supreme Court composed of seven jurists and a dozen unimpaired peasants, the members of the Radoslavov Ministry, which was in office at

the time of Bulgaria's fight on the side of Germany, were sentenced to various terms of imprisonment, to the loss of civil rights and to the payment of the amount of the war indemnity claimed from Bulgaria.

1948: U.S. Air Bridge

BERLIN — The United States started to supply by air today [April 1] its 10,000 citizens here as part of a plan to block a Soviet move to impose its authority on all traffic between Berlin and Western Germany. The first shipment of 15,000 pounds of American food arrived as both British and American sectors of this city remained without their normal rail supply route following suspension of all Allied military trains connecting Berlin with the Western Zones. The suspension came after the Russians held up two American and two British trains on the Soviet Zone border.

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OPINION/LETTERS

Clinton Gets a Needed Lesson on Power and Authority

By William Pfaff

PARIS — President Bill Clinton's journey to six African countries gave him and the hundreds of Washingtonians traveling with him a short introduction to African realities, and also a small lesson in the difference between power and authority.

The lesson was provided in the little lecture given Mr. Clinton by Nelson Mandela in Cape Town on Friday. The South African president, who possesses undoubted authority, politely told Mr. Clinton that he would accept no instructions from America on whom South Africa should trade with, or on what its foreign policy should be. He suggested that the United States "set an example to all of us" by talking peace instead of power.

President Mandela's rebuke followed Mr. Clinton's unimpressive experience with another African, UN Secretary-General Kofi Annan, just a month ago. Mr. Annan courteously but effectively took control of the Iraq crisis out of American hands and imposed a negotiated solution that most in Washington had not believed possible, and that many in the Clinton administration did not want.

The Senate majority leader, Trent Lott, said at the time that the administration had "subcontracted" American foreign policy to the United Nations. Actually, the UN was able to take control because the other members of the Security Council, Britain excepted, opposed the United States on military action.

A former official of the Bush administration, John Bolton, also criticized what happened by saying that the Clinton administration had acted as if the UN "has a life or existence outside of what the U.S.

wants it to do." It has, as the Security Council's members demonstrated.

At about the same time, the Pope was weakening administration control of U.S. Cuban policy through his visit to Cuba and condemnation of U.S. sanctions. Washington has since bowed to international opinion and made concessions in its blockade.

U.S.-imposed sanctions on Iran are ignored by other major trading nations. The administration has repeatedly postponed application of the retaliation against foreign companies trading with Iran that Congress has mandated, knowing that to apply penalties would produce a big clash with the European Union.

Benjamin Netanyahu has taken over control of America's Middle Eastern policy by refusing to carry out the promises Israel has made concerning West Bank withdrawals and Jewish colonization of Jerusalem's suburbs.

This has greatly damaged U.S. alliance interests in the region, as Arab reaction to the Iraq crisis demonstrated, but Mr. Clinton can do absolutely nothing about it. Congressional pressure and Democratic Party electoral concerns prevent retaliation against Mr. Netanyahu's policies.

Mr. Mandela also told Mr. Clinton that the administration proposal, now before Congress, to put trade in the place of African development aid was unacceptable. Mr. Clinton has announced augmented aid, but he set out on this trip to promote American private investment in Africa.

However, the obstacles to investment remain formidable, the most important among them the absence nearly everywhere of stable political structures. Those will come only from the development of a substantial and educated middle class, which as yet hardly exists in sub-Saharan Africa.

There have been imposing African leaders, from the younger Kwame Nkrumah in postcolonial Ghana and the older Jomo Kenyatta in Kenya, to Yoweri Museveni in

Uganda today, but the one-party state remains the African norm. Mr. Museveni — America's current favorite — was installed in 1986 after a military coup.

During his East African stops, President Clinton apologized to Africans for slavery, neglect, indifference to genocide in Rwanda and for America's past support for dictators and the exploitation of Africans in fighting the Cold War.

He did not mention the role of the United States with respect to the Ugandan-supported Tutsi exile force, led by an American-trained officer, Paul Kagame. In 1994 this force liberated Rwandan Tutsi survivors from the genocide launched by the Hutu-dominated Rwandan government.

This force took over Rwanda and later attacked the Hutu forces harassing Rwanda from refugee camps in neighboring Zaire. Together with the forces of its Congolese client, Laurent Kabila, it drove them and the refugee masses accompanying them deep into Zaire, where it seems that it killed nearly all of them — the final solution to a portion of the Tutsi's Hutu problem, inspired by the earlier effort of the Hutu government in Rwanda to make a final solution to its Tutsi problem.

Even though this eventual outcome was undoubtedly unforeseen and unwanted by Washington, the United States would seem to have been implicated in preparing Mr. Kagame's force, but nothing has been either conceded or reported.

Washington did endorse Mr. Kabila's succession to the man the CIA originally made leader of Congo (which he renamed as Zaire), the atrocious "Marshal" Mobutu. Mr. Kabila refuses to allow international agencies to investigate the fate of the refugee Hutu.

The belief that America as "sole superpower" would or could dominate the world, widely held after communism's collapse, rested on the illusion that military and economic power directly translate into political power, and that power is identical with authority.

The exercise of authority requires consent, and rests on a moral position. This is what Mr. Mandela was saying to Mr. Clinton, and what recent events have shown.

International Herald Tribune
Los Angeles Times Syndicate

A Philosopher Reaches His 'Angle of Repose'

By George F. Will

NEWPORT BEACH, Calif. — Frederick L. Will, my father, recently died here. He was, as used to be said, well-stricken in years, nearly 89 of them, and suffered many of the afflictions that often accumulate in very elderly bodies. He was, it is safe to say, not sorry when the Dark An-

Early in Fred's career he labored for nearly a decade completing a manuscript of a book that reached conclusions broadly congruent with the prevailing consensus among philosophers about his special interest, the problem of induction.

Then one day, while standing at a blackboard, there suddenly came to his mind an episode from a Thackeray novel, which, after he reflected on it, suggested that he and the conventional wisdom since Hume were mistaken about induction. So he set aside the manuscript, the fruit of his career until then, and began again. That unsung example of intellectual integrity is among Fred's finest works.

In Fred's last years he published a collection of his philosophic essays, and he died shortly after receiving (but when he was too ill to join the innumerable caravan.)

Medicine is marvelous at helping fend off infections and diseases in bodies that, absent them, would thrive. However, medicine becomes problematic when it resists not the body's afflictions but the body itself — when the body is no longer impelled by an essential vitality and instead tries to subsist.

In this downward turn of life's trajectory, the mind and body can be mysteriously complicit. Fred's life began to ebb when his wife, who survives him, disappeared into dementia, like a photograph left exposed to the sunlight. Fred could no longer bear to listen to music because it deepened his sadness, and he could no longer thrive.

Fred was a son of the middle border, and of a Lutheran minister who graduated from Gettysburg Seminary about 40 years after the great battle. The minister served many marginal churches in Ohio, Pennsylvania and Maryland, including one in Boonesboro, Maryland, hard by Sharpsburg, the hamlet on Antietam Creek that Robert E. Lee visited on Sept. 17, 1862.

Lee and Luther were lasting influences. Fred's lifelong dignity and reticence, which did not desert him when he was dying, reflected Lee's model of American gentlemanliness. Fred's philosophic interest was quickened by witnessing Pastor Will struggle to reconcile the ideas of grace and free will. After earning a Cornell Ph.D., Fred taught philosophy at the University of Illinois for 39 years.

Fred left life as he lived it, nobly composed, having reached his angle of repose.

Washington Post Writers Group

LETTERS TO THE EDITOR

National Front

Regarding "Chirac Speech Increases Pressure Over Le Pen Deals" (March 25):

The level of support that the extreme right National Front has received in France, and the willingness of some rightist politicians to deal with the group, is indeed alarming.

President Jacques Chirac's call to reform the regional election system to prevent National Front candidates from being elected may seem sensible on the face of it.

However, I think that instead of reforming the electoral system, "legitimate" politicians, and all concerned citizens, should be asking themselves why the Front enjoys such a high level of public support. Why do so many French

people feel alienated from democratic politics and politicians?

The French president should also consider the Front's response to any change in the electoral system, which it doubtless would see as an attempt to interfere with its "democratic" right to representation in local legislatures.

Such maneuvers do nothing to stop the truly determined. The Weimar Republic tried to proscribe the Nazi party when it was much smaller than the National Front is now. Mr. Chirac may recall that this tactic did not work.

ALLAN D. FORRESTER,
Szeged, Hungary.

Guns in America

Regarding "Gun Manufactur-

ers Target New Customers: Children" (March 30):

The article about "targeting" the next generation of happy shooters outraged me. As it is, gun sales to American adults should be strictly monitored, and only handguns and hunting rifles should be sold — what constructive reason could one possibly have for owning an assault weapon?

U.S. tobacco companies are being attacked for targeting children in their advertising. Why not the same treatment for the National Rifle Association and gun manufacturers?

"Guns" don't kill people, people do. It is an often-used slogan of the anti-gun control crowd. But if those two children in Arkansas had been unable to get their hands on some guns, they

would have had to resort to knives, baseball bats or what have you. As those weapons are not very effective in mass murder, the boys probably would have given up their scheme or else would have been caught before they got too far along with it.

CATHY FITZSIMONS,
Lutry, Switzerland.

The Jonesboro tragedy shows again the disastrous results of the politically correct notion of unchecked individual freedom.

When violence is shown on television and in the movies in the guise of entertainment, when guns are freely available, and when mothers abandon their young children at home to seek "self-fulfillment" elsewhere, it is hardly surprising to see young boys turning into wild beasts

and shooting at female teachers and pupils.

Only when we stop paying more than just lip service to traditional family values can we hope to prevent similar tragedies.

MILO VESEL,
Divonne, France.

An individual's right to bear arms was made law in the early days of the United States, when law enforcement was not the organized affair it is today.

It is time that the Second Amendment be repealed. The law instead should read: "No one has the right to bear arms except those who are charged to do so to protect all of the people in our land."

EVELYN E. LAWSON,
Villefranche de Conflent,
France.

BOOKS

THE SMITHSONIAN INSTITUTION

By Gore Vidal. 260 pages.
\$23. Random House.

Reviewed by Christopher Lehmann-Haupt

SOMEONE must have been telling the truth about T.

Because he is a 13-year-old mathematical genius, he is summoned from St. Alban's School to the Smithsonian Institution on the fine morning of Good Friday, 1939. There, at the opening of Gore Vidal's phantasmagoric new novel, "The Smithsonian Institution," T. enters a cockeyed world where the exhibitions come to life when the building is closed, where scientists have scanning machines that can see into the past and the future, and where the chief director, an added version of Abraham Lincoln, reads and weeps over Carl Sandburg in the hope of understanding his presidency.

"Be careful," says one of the guards to T. "Things ain't always what they seem around here."

Things may all seem confusingly whimsical at first, what with T.'s being greeted by a gossipy Mrs. Benjamin Harrison, then nearly eaten for dinner by Inuit Indians going cannibalistic, and finally seduced by a sex-starved squaw who turns out to be Mrs. Grover Cleveland. It is as if the author of "Burro," "1876," and "Lincoln" had perched on "Myra Breckinridge."

Yet there is a design in the apparent chaos.

"War clouds are gathering over Europe," the narrative keeps repeating, as if to mock the sort of language implying that humans aren't at fault.

While flunking a boring algebra test, T. has made doodles that reveal him to be "a master of quantum physics." As T. tells the directors of the institution, "He had an unusual knack for turning numbers into pictures that he could

study in his head as actions set off reactions."

As the narrative describes it: "Somehow the thought of light being electromagnetic radiation made a brilliant symmetrical picture in his brain, and then he saw how it was done — with more numbers and then more energy and the atom itself could be broken to create further energy. He could also visualize a way to stop the chain reaction."

When J. Robert Oppenheimer learns of this, he wants to have a serious talk with T. "Well, you really are the prodigy they say you are," he says.

Here the plot, already thick, twists itself into a pretzel, and Vidal does astonishing work just keeping us oriented in his hall of see-through mirrors. T. develops qualms about helping to create the bomb.

Moreover, at a military exhibition he encounters a war figure he recognizes as his future self and learns that he will die (has died) in battle on March 1, 1945. He feels he must somehow stop the coming war. This presents him with two new problems to solve: how to travel back in time and alter history, and how to pick the precise event to alter.

Despite its seeming zaniness, "The Smithsonian Institution" is appealing in several ways.

First, there is the simple suspense of T.'s adventure: Will finding the right path to change really make a difference? Then there is the science-fictional illusion that Vidal successfully creates. Despite a certain amount of mumbo-jumbo, you come to believe in the novel's world of intersecting realities, where all time collapses into a quantum present and individuals meet different versions of themselves along the space-time continuum.

Then there is the vehicle Vidal has built for his commentary on American history, which you may bristle at or cheer, depending on your temperament. Off and on throughout the story, T. mixes with all the presidents and their

first ladies. Cleveland is reading Allan Nevins's biography of himself and finding it splendid despite "a lot of mistakes." "Lincoln rambles on, misquoting himself." "What a bore he was," T. reflects, "even if he really was . . ."

Although still alive, Franklin D. Roosevelt pays a visit and defends his imperial motives in fighting World War II, especially when George Washington insists that the Japanese were provoked to bomb Pearl Harbor.

Jefferson, sounding, "to T.'s ear, just like the English actor Ronald Colman in 'Lost Horizon,'" debates Polk. "We are Rome, indeed," T. concludes. "And our Athens is long dead." Historical joke is piled upon historical joke, none of which will be told here for fear of giving away too much of the plot.

Finally, there is the puzzle of T.'s identity. He himself offers one explanation when he leads Dr. Oppenheimer to conclude that he is nicknamed himself for "the T. that reverses the direction of motion of all particles," for "Time itself."

But readers of Vidal's memoir "Palimpsest" may see in T. Jimmy Trimble, his classmate at St. Alban's who died in 1945 at two jims and who, Vidal says, was the only person he ever loved.

In "Palimpsest," Vidal endorses the passage in Plato's "Symposium" where Aristophanes tells his dinner companions that there were once three sexes, people shaped like globes: male, female and hermaphrodite; they were divided by the king of the gods for behaving offensively and have ever since sought reunion, to make themselves whole again.

At the heart of "The Smithsonian Institution" is a dramatization of Aristophanes' conceit.

For all the novel's witty arabesques of plot, T.'s passion to make himself whole is what finally lends the story its substance.

New York Times Service

BRIDGE

By Alan Truscott

MARGIE Gwozdziński and Susan Wexler of New York, who will represent the United States in the world championships in Lille, France, in August, while practicing, recently reached a tricky four-spade contract on the diagrammed deal. South's sequence showed a balanced hand with 23-24 points, and North's Texas bid of four hearts transferred the contract, insuring that the lead would come up to the strong hand.

The heart jack was led to the king, and Gwozdziński as South won with the ace. The South won this point was to cash the diamond ace, ruff a

diamond and lead a club, a play that would almost guarantee 10 tricks since a third-

round club ruff would be available if necessary. Instead, like the declarers at the other tables, she cashed the ace and king of spades and immediately regretted it.

But there was reason to think that East was short in hearts, for with three or more that player would normally retain the king. The ace and king of diamonds were cashed, throwing a club from dummy, and a diamond was ruffed. The closed hand was entered with a heart lead and the last diamond was ruffed. The ending was as shown at right.

Now a trump lead forced East to break the club suit, and by playing low South was able to score a club trick and

make a game that went down at other tables. She would have failed, however, if West had held both ace and queen of clubs, because that player would have been in control in the ending.

NORTH			
♠ J108764			
♥ 73			
♦ 4			
♣ J832			
WEST			
♠ 3			
♥ J10982			
♦ Q1075			
♣ A106			
EAST			
♠ Q52			
♥ K4			
♦ 9863			
♣ Q974			
SOUTH (D)			
♠ A K 3			
♥ A Q 8 5			
♦ A K J 2			
♣ K 5			

Both sides were vulnerable. The bidding:
South: 2♣, 2♦, 2♥, 2♠, 2NT, 3♣, 4♣, 4♦, 4♥, 4♠, 4NT, 5♣, 5♦, 5♥, 5♠, 6♣, 6♦, 6♥, 6♠, 7♣, 7♦, 7♥, 7♠, 8♣, 8♦, 8♥, 8♠, 9♣, 9♦, 9♥, 9♠, 10♣, 10♦, 10♥, 10♠, 11♣, 11♦, 11♥, 11♠, 12♣, 12♦, 12♥, 12♠, 13♣, 13♦, 13♥, 13♠, 14♣, 14♦, 14♥, 14♠, 15♣, 15♦, 15♥, 15♠, 16♣, 16♦, 16♥, 16♠, 17♣, 17♦, 17♥, 17♠, 18♣, 18♦, 18♥, 18♠, 19♣, 19♦, 19♥, 19♠, 20♣, 20♦, 20♥, 20♠, 21♣, 21♦, 21♥, 21♠, 22♣, 22♦, 22♥, 22♠, 23♣, 23♦, 23♥, 23♠, 24♣, 24♦, 24♥, 24♠, 25♣, 25♦, 25♥, 25♠, 26♣, 26♦, 26♥, 26♠, 27♣, 27♦, 27♥, 27♠, 28♣, 28♦, 28♥, 28♠, 29♣, 29♦, 29♥, 29♠, 30♣, 30♦, 30♥, 30♠, 31♣, 31♦, 31♥, 31♠, 32♣, 32♦, 32♥, 32♠, 33♣, 33♦, 33♥, 33♠, 34♣, 34♦, 34♥, 34♠, 35♣, 35♦, 35♥, 35♠, 36♣, 36♦, 36♥, 36♠, 37♣, 37♦, 37♥, 37♠, 38♣, 38♦, 38♥, 38♠, 39♣, 39♦, 39♥, 39♠, 40♣, 40♦, 40♥, 40♠, 41♣, 41♦, 41♥, 41♠, 42♣, 42♦, 42♥, 42♠, 43♣, 43♦, 43♥, 43♠, 44♣, 44♦, 44♥, 44♠, 45♣, 45♦, 45♥, 45♠, 46♣, 46♦, 46♥, 46♠, 47♣, 47♦, 47♥, 47♠, 48♣, 48♦, 48♥, 48♠, 49♣, 49♦, 49♥, 49♠, 50♣, 50♦, 50♥, 50♠, 51♣, 51♦, 51♥, 51♠, 52♣, 52♦, 52♥, 52♠, 53♣, 53♦, 53♥, 53♠, 54♣, 54♦, 54♥, 54♠, 55♣, 55♦, 55♥, 55♠, 56♣, 56♦, 56♥, 56♠, 57♣, 57♦, 57♥, 57♠, 58♣, 58♦, 58♥, 58♠, 59♣, 59♦, 59♥, 59♠, 60♣, 60♦, 60♥, 60♠, 61♣, 61♦, 61♥, 61♠, 62♣, 62♦, 62♥, 62♠, 63♣, 63♦, 63♥, 63♠, 64♣, 64♦, 64♥, 64♠, 65♣, 65♦, 65♥, 65♠, 66♣, 66♦, 66♥, 66♠, 67♣, 67♦, 67♥, 67♠, 68♣, 68♦, 68♥, 68♠, 69♣, 69♦, 69♥, 69♠, 70♣, 70♦, 70♥, 70♠, 71♣, 71♦, 71♥, 71♠, 72♣, 72♦, 72♥, 72♠, 73♣, 73♦, 73♥, 73♠, 74♣, 74♦, 74♥, 74♠, 75♣, 75♦, 75♥, 75♠, 76♣, 76♦, 76♥, 76♠, 77♣, 77♦, 77♥, 77♠, 78♣, 78♦, 78♥, 78♠, 79♣, 79♦, 79♥, 79♠, 80♣, 80♦, 80♥, 80♠, 81♣, 81♦, 81♥, 81♠, 82♣, 82♦, 82♥, 82♠, 83♣, 83♦, 83♥, 83♠, 84♣, 84♦, 84♥, 84♠, 85♣, 85♦, 85♥, 85♠, 86♣, 86♦, 86♥, 86♠, 87♣, 87♦, 87♥, 87♠, 88♣, 88♦, 88♥, 88♠, 89♣, 89♦, 89♥, 89♠, 90♣, 90♦, 90♥, 90♠, 91♣, 91♦, 91♥, 91♠, 92♣, 92♦, 92♥, 92♠, 93♣, 93♦, 93♥, 93♠, 94♣, 94♦, 94♥, 94♠, 95♣, 95♦, 95♥, 95♠, 96♣, 96♦, 96♥, 96♠, 97♣, 97♦, 97♥, 97♠, 98♣, 98♦, 98♥, 98♠, 99♣, 99♦, 99♥, 99♠, 100♣, 100♦, 100♥, 100♠, 101♣, 101♦, 101♥, 101♠, 102♣, 102♦, 102♥, 102♠, 103♣, 103♦, 103♥, 103♠, 104♣, 104♦, 104♥, 104♠, 105♣, 105♦, 105♥, 105♠, 106♣, 106♦, 106♥, 106♠, 107♣, 107♦, 107♥, 107♠, 108♣, 108♦, 108♥, 108♠, 109♣, 109♦, 109♥, 109♠, 110♣, 110♦, 110♥, 110♠, 111♣, 111♦, 111♥, 111♠, 112♣, 112♦, 112♥, 112♠, 113♣, 113♦, 113♥, 113♠, 114♣, 114♦, 114♥, 114♠, 115♣, 115♦, 115♥, 115♠, 116♣, 116♦, 116♥, 116♠, 117♣, 117♦, 117♥, 117♠, 118♣, 118♦, 118♥, 118♠, 119♣, 119♦, 119♥, 119♠, 120♣, 120♦, 120♥, 120♠, 121♣, 121♦, 121♥, 121♠, 122♣, 122♦, 122♥, 122♠, 123♣, 123♦, 123♥, 123♠, 124♣, 124♦, 124♥, 124♠, 125♣, 125♦, 125♥, 125♠, 126♣, 126♦, 126♥, 126♠, 127♣, 127♦, 127♥, 127♠, 128♣, 128♦, 128♥, 128♠, 129♣, 129♦, 129♥, 129♠, 130♣, 130♦, 130♥, 130♠, 131♣, 131♦, 131♥, 131♠, 132♣, 132♦, 132♥, 132♠, 133♣, 133♦, 133♥, 133♠, 134♣, 134♦, 134♥, 134♠, 135♣, 135♦, 135♥, 135♠, 136♣, 136♦, 136♥, 136♠, 137♣, 137♦, 137♥, 137♠, 138♣, 138♦, 138♥, 138♠, 139♣, 139♦, 139♥, 139♠, 140♣, 140♦, 140♥, 140♠, 141♣, 141♦, 141♥, 141♠, 142♣, 142♦, 142♥, 142♠, 143♣, 143♦, 143♥, 143♠, 144♣, 144♦, 144♥, 144♠, 145♣, 145♦, 145♥, 145♠, 146♣, 146♦, 146♥, 146♠, 147♣, 147♦, 147♥, 147♠, 148♣, 148♦, 148♥, 148♠, 149♣, 149♦, 149♥, 149♠, 150♣, 150♦, 150♥, 150♠, 151♣, 151♦, 151♥, 151♠, 152♣, 152♦, 152♥, 152♠, 153♣, 153♦, 153♥, 153♠, 154♣, 154♦, 154♥, 154♠, 155♣, 155♦, 155♥, 155♠, 156♣, 156♦, 156♥, 156♠, 157♣, 157♦, 157♥, 157♠, 158♣, 158♦, 158♥, 158♠, 159♣, 159♦, 159♥, 159♠, 160♣, 160♦, 160♥, 160♠, 161♣, 161♦, 161♥, 161♠, 162♣, 162♦, 162♥, 162♠, 163♣, 163♦, 163♥, 163♠, 164♣, 164♦, 164♥, 164♠, 165♣, 165♦, 165♥, 165♠, 166♣, 166♦, 166♥, 166♠, 167♣, 167♦, 167♥, 167♠, 168♣, 168♦, 168♥, 168♠, 169♣, 169♦, 169♥, 169♠, 170♣, 170♦, 170♥, 170♠, 171♣, 171♦, 171♥, 171♠, 172♣, 172♦, 172♥, 172♠, 173♣, 173♦, 173♥, 173♠, 174♣, 174♦

TribTech

Chip Companies In South Korea See Savior in 64s

Much Denser D-RAM Chips Offer Prospect of Profits for Producers Losing Money on Older Product

By Don Kirk
International Herald Tribune

SEOUL — A quiet revolution is exploding beneath the bland exterior of the desktop computer. The era of the 16-megabyte D-RAM — dynamic random-access memory — chip is quickly fading. The world's leading manufacturers of memory chips, most of them in South Korea and Japan, are awaiting the point at which it will be cheaper to put a single 64-megabyte D-RAM inside a computer than to load it up with four 16-megabyte chips.

For South Korea, bit by the double whammy of the worst recession since the Korean War and plummeting prices of semiconductors worldwide, that point cannot come soon enough.

When the price barrier is crossed, the 64-megabyte chip will be used in high-end personal computers to free up space and accommodate demands for memory from Windows 98 and other new software, said Hwang Soong Young, marketing manager of Hyundai Electronics Industries Co., a major South Korean chip manufacturer.

With the won worth about 60 percent of its value a year ago, South Koreans see a chance to produce the coming generation of D-RAM chips at a low cost compared with their Japanese competitors, if only they can beat their competitors to world markets.

"All Korean manufacturers are now losing money on memory products," said Choi Hye Bum, an analyst with the Korean Semiconductor Industries Association. "They've experienced a 70 percent decline in two years. They have to move to the 64-megabyte to survive."

Samsung Electronics Co., still producing more memory chips than any other company in the world despite mounting losses from the 16-megabyte chip, is battling NEC Corp. of Japan, the second-largest maker of memory chips, in hope of profiting again from semiconductors by next year.

"We're ahead of our competitors by about one year," said Chung Eun Yong, Samsung's marketing director. "We are already producing 8 million units of 64-megabyte chips a month. We hope high-density demand will increase beginning in April."

It's a matter of simple mathematics. The price of a 16-megabyte chip on the spot market has fallen from \$50 at its peak two years ago to slightly below \$3 today. The price of a 64-megabyte chip has fallen from about \$100 when it was introduced two years



A worker at a Samsung plant in South Korea where 16- and 64-megabyte D-RAM chips are made.

ago to around \$15. At the point at which one 64 costs less than four 16s, say manufacturers, mass-producers of computers will abandon the 16.

By this autumn, many manufacturers say, most personal computers will routinely use the 64-megabyte D-RAM.

Plans call for lines at Samsung plants in South Korea and at its new \$700 million plant in Austin, Texas, to be turning out 20 million 64-megabyte D-RAM chips a month by the end of the year.

IN THEIR race with the Japanese, South Korean manufacturers now have one advantage: the depreciation of the won that has battered the country's economy also makes their products more competitive. And these manufacturers, who produce 38 percent of the world's semiconductors, need all the edge they can muster against Japan's leading chip-makers — NEC, Toshiba Corp., Fujitsu Ltd., Hitachi Ltd., and Mitsubishi Electric Corp., which account for 40 percent of the chips on the market.

NEC, already producing 5 million 64-megabyte D-RAM chips a month at plants in Hiroshima, Japan, and in Scotland, is building a plant in Shanghai and will begin producing 64s there in February.

Like its South Korean rivals, NEC would like to drop the 16-megabyte D-RAM as soon as possible even though it is producing 11 million of them a month right now.

"We are not making money at the 16-megabyte D-RAM level," an NEC spokesman, Aston Bridgman, said. "We get much more value out of the 64-megabyte D-RAM."

Analysts caution, however, against high hopes for the 64-megabyte magic bullet. South Korean companies, which rely on memory chips for 85 percent of their business, still face the prospect of losses.

"The 64-megabyte D-RAM is not going to resurrect the industry to the extent that the 16-megabyte D-RAM was able to do early in its cycle," Dan Heyler, an analyst for the research company Dataquest, said. "It'll be a big boost for Korean manufacturers, but they still need diversification into the non-memory business."

Although Samsung ranked first in semiconductor production last year, it ranked seventh in sales, with \$6 billion. Intel Corp., focusing on nonmemory chips, led semiconductor manufacturers with \$21.1 billion in sales, more than twice that of seventh-ranked NEC, whose sales totaled \$10.7 billion. LG Semicon Corp., the only other Korean semiconductor manufacturer in the top 20, ranked 19th with sales of \$2.1 billion.

Cost-cutting, though, compromises the South Koreans' chances to profit from the 64-megabyte market. LG Semicon is three months behind in construction of a semiconductor plant in Wales and will not have it ready until 1999. Hyundai has suspended plans for a plant in Scotland and is far behind in opening a plant in Eugene, Oregon.

How long will it be before the 64, like the 16, and the 4 that preceded it, is history? Already, Samsung and NEC are producing the next generation of memory chips, the 128, in limited quantities.

"We sampled the 128-megabyte D-RAM in early March," said Mr. Chung of Samsung. "We will start producing them in May. We expect the volume to increase."

ALT / Commentary

Handheld PCs: The Cult Of Simple Technology

By Douglas Rushkoff
New York Times Service

I NEVER thought I was the type of person who would join a cult. But I did. It's not a cult of personality but of technology. It's the cult of the Palm Pilot — a simple handheld computer and operating system that now accounts for more than 60 percent of the global "personal digital assistant" market.

Most religious cults attract disgruntled and disillusioned members of more organized religions. Alienated by the institutionalization of spirituality, they flee to smaller groups where their relationship to God seems more direct and the nature of the universe demystified. Likewise, the members of my cult had become disenchanted with the increasingly inscrutable world of the PC. Many of us had already sold our souls to the devil, surrendering our Macintoshes for the seemingly global compatibility of Windows.

Quickly caught in an endless cycle of upgrades, we became slaves to our machines. The more opaque they got, the less we understood about what we were doing. The tiny Palm Pilot, made by 3Com Corp., reminiscent of the Nintendo Co.'s Gameboy, is a monochrome and essentially text-only computer with at most two megabytes of random-access memory. There is no hard drive, not even a place for a floppy disk. You enter text by writing or tapping a little picture of a keyboard.

Still, it is not nearly as convenient as a genuine laptop, or as featured or as ergonomic. Then why the cult?

I did not understand this myself until I put my demo unit into its cradle so that it could "synchronize" its data with the records and files on my huge desktop PC. With a bleep, the Palm Pilot wrestled my entire computer to the mat, sucked out the data and bleeped its thanks.

Better still, the Palm Pilot's simple and transparent operating system has encouraged thousands of young software developers to create programs for it — often distributed for free.

It was just like in the good old days, when the transparency of DOS or the early Apple system allowed novice programmers easy entry; today it is the independent developers who are pushing the Palm Pilot to its limits, creating Web browsers, guitar tuners, alarm clocks and hundreds of other applications for the platform — all available in an easy download from the Internet. It was while downloading a Palm Pilot e-mail program, in fact, that the essence of the cult made itself apparent to my unworthy senses: The whole program downloaded in less than two seconds.

I was sure I had made a mistake, but no. That was the entire piece of software — less than a couple of hundred kilobytes. Frankly, it does just about everything that the latest version of Microsoft Corp.'s gargantuan e-mail program does — with less tinkering. That was when it hit me: I have been spending thousands of dollars

and hours nursing and upgrading a monstrosity that doesn't really do anything more for me than a handheld personal digital assistant.

Sure, it's nice to have a keyboard, and I like a big monitor. But the machine and its operating system have become so unwieldy that no layperson knows how to program for it anymore — only the high priests. The Palm Pilot exposed the inefficiency of my desktop and the nightmare that Windows has become. Now, hundreds of thousands of people are waking up from the same dream and forming grassroots communities around this accessible platform. They have the same passion and zealotry of the original Mac-heads.

A movement is under way to translate the Gutenberg Project, a huge collection of public-domain texts ranging from Aristotle to H. G. Wells, into free, Pilot-compatible files.

Many Web-site designers have begun simplifying their interfaces so that they can be accessed from the primitive

but spongy little browsers that run on the Pilot. In short, the Palm Pilot is forcing us to reassess our priorities in computing. I, for one, am better for it.

Microsoft, however, is aware of this new threat to its uncontested rule and is releasing its own version of a palm computer.

Though it may look and feel like a Palm Pilot, I say it is time we draw our line in the sand.

IF MICROSOFT'S track record gives us any indication of where it will attempt to lead us, Microsoft's entry into the palm-computing market will only serve to increase our dependence on the Windows system. What begins as open architecture will eventually become as opaque and impenetrable as Windows 95 or 98.

But keep the faith. If we demonstrate our commitment to the Palm Pilot, Microsoft will have to submit to our bidding. Get ready for its onslaught of standardization assaults.

Even if we lose, and the Palm Pilot is wiped out by what will surely be a more colorful and better-marketed personal digital assistant, let us not forget this brief moment in computing history when real people understood the code. And remember: Every great cult has gained strength from being persecuted.

Douglas Rushkoff is an author and consultant on computer and "Generation X" issues.

SITES

Related sites on the Internet:

Information on Palm Pilot is at:
www.pilotgear.com
www.pilotfaq.com

Other makers of handheld PCs can be found at:
www.casio.com/html/products/handheldpc.html
www.palmon.com/computers/index.html

BRIEFLY

• **SURF'S UP, OR AT LEAST THE PRICE:** Barely two years after exploding on the scene, cheap Internet access is quickly going the way of the 10-cent pay-phone call in the United States. AT&T Corp. on Tuesday became the latest large provider of Internet service to scrap its flat \$19.95 monthly fee for unlimited access, joining an industry move to stem the surge of users straining the global network.

The action follows a similar pullback by IBM's Internet service that took effect Wednesday — the same day America Online Inc. raised its fee for unlimited access by \$2, to \$21.95 a month. Microsoft Corp. said Tuesday it would raise its monthly rate for unlimited use of WebTV, which enables people to cruise the Internet on their television sets, to \$24.95 from \$19.95 as of June 1.

The moves reverse a trend started in 1996, when \$19.95 a month became the accepted rate of admittance to a worry-free Web-surfing experience. Today, many of the roughly 3,500 Internet service providers in the United States still sell unlimited access. But few are making money, and nearly all are struggling to cope with bottlenecks that make it tough to get on-line during peak hours and delay the exchange of files and e-mail across the Internet.

With some Internet providers, "20 to 40 percent of the traffic comes from 2 to 4 percent of the population," said Brian Oakes, an industry analyst with Lehman Brothers Inc. Starting May 1, AT&T will charge 99 cents for every hour that people spend on-line after the first 150 hours a month, in addition to the \$19.95 fee. AT&T, with 1.2 million customers, is the largest U.S. provider of Internet-only service.

• **CYBERMORTGAGES ON COMMAND:** E*Trade Group Inc. signed a three-year agreement with closely held E-Loan Inc. to sell mortgages through a jointly branded Web site. The service will allow E*Trade customers to go to a site that compares current mortgages with market rates, shop for low prices and apply for a loan. E-Loan will provide customer service and process requests. Terms of the agreement were not disclosed.

The move into mortgages reflects the

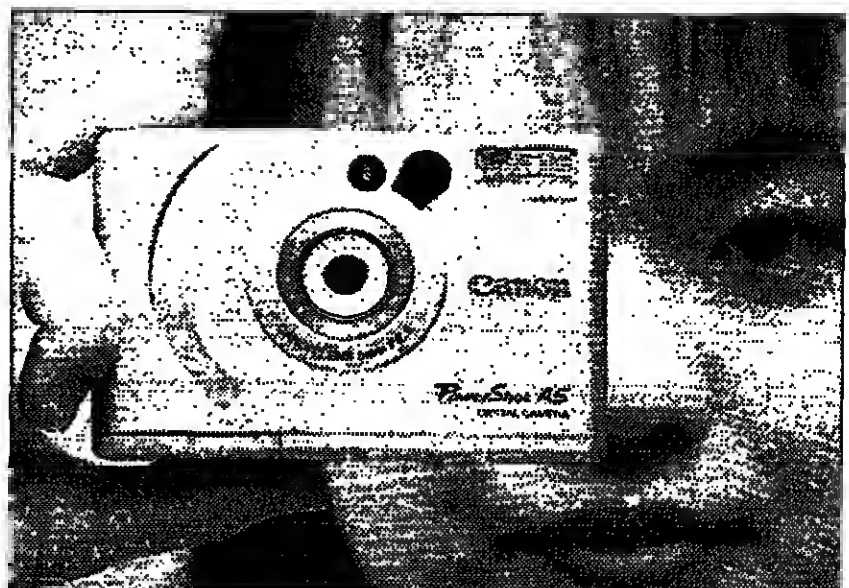
increasing competition in E*Trade's primary business — enabling people to buy and sell stocks via the Internet. More than 50 sites allow investors to trade stocks or mutual funds. Rivals such as Ameritrade Holding Corp. charge as little as \$8 a trade, far less than E*Trade's lowest rate of \$14.95.

(Bloomberg)

• **INTEL PLAYING CATCH-UP:** A chip developed by Intel Corp. aimed at the sub-\$1,000 personal-computer market is not as fast at running

expected speed, its performance running software applications was slower than that of rival chips developed by Advanced Micro Devices Inc. and Cyrix Corp., a unit of National Semiconductor Corp.

"We don't know what the magazine has in terms of a test system," said Howard High, an Intel spokesman, who added that the company had seen "historically" that "a number of publications get pre-production products, and when the real product comes out, they wind up having to recant and reposition



Canon Inc.'s PowerShot A5, the world's smallest and lightest digital camera, which is scheduled to go on sale for 74,800 yen (\$560) on April 20.

applications as some of its clone competitors, according to tests performed by the computer magazine PC World.

The chip, called Celeron, is expected to be introduced April 15, but PC World said it had obtained a pre-production personal computer with a Celeron chip running at a speed of 266 megahertz.

"PC World completed the first road tests of the processor, which indicate that Intel's rivals are still ahead in both price and performance," PC World said.

Bill Snyder, senior news editor at PC World, said that while the chip ran at its

their words. (Reuters)

• **ON-LINE DAYDREAMS:** Salomon Smith Barney Inc. has dismissed two high-ranking members of its stock-research department in New York for allegedly sharing pornographic material on their office computers, according to newspaper reports.

A memo that circulated within Salomon Smith Barney said the employees had been fired for breaking rules against the electronic transmission of "offensive images or text such as pornography," The New York Times and The Wall Street Journal reported. (Reuters)

Deciphering a Misunderstood Language: Java

By Stephen Manes
New York Times Service

NEW YORK — These are heady times for the programming language called Java, what with Sun Microsystems Inc., Java's proud parent, and Microsoft Corp. publicly squabbling over its use and future. But computer users may wonder what it means to them.

The answer in the short run is, not much. As the latest hot computer language, Java has its share of fanatics, whipped into something of a religious frenzy by Sun's loud marketing claims and anti-Microsoft posturing. But much of Java's promise has yet to be fulfilled, and users can be pardoned for neither knowing nor caring what language is behind the software that sometimes does their bidding.

Although Java is often said to be aimed at supplanting operating systems like Windows, that is true only in a very narrow sense. At least for now, Java is not an operating system and cannot perform such traditional system functions as sending characters to a screen, documents to a printer or files to a hard drive. Its appeal lies instead in its value as a "platform" upon which programmers can build their edifices of code.

Its potential threat to operating systems like Windows is that programs written in Java can run on different kinds of machines, which might conceivably make operating systems less important someday. Java-based programs are designed to run not on a specific type of computer, but rather a "Java virtual machine" that is built of software and in theory works the same way everywhere.

When a program runs, the virtual machine (most commonly built into a Web browser) translates the program into terms the real machine can understand. The result is that if a virtual

machine exists for a real one, Java programs should be able to run on it.

This is not a new idea. A "universal" operating system called the "p-system" once ran on many machines big and small and competed with Microsoft's DOS on the original IBM Personal Computer. In bygone days, Microsoft itself used the technique to develop its top application programs, writing its software to run on a virtual machine tuned for incompatible computers bearing logos like Commodore, Atari, Apple and Texas Instruments.

The approach flourished. Thanks to the overhead involved in interpreting them, programs developed this way almost invariably ran slower than those meant for a specific machine.

To make certain the programs ran everywhere, programmers tended to adopt least-common-denominator standards, avoiding machines' newest features. And the ability to develop once for a broad variety of different machines became unimportant once DOS and Windows came to dominate the market.

TIMES change. The rise of the Internet, the increase in processing power and memory density and the arrival of a plethora of incompatible computing and communications devices like telephones and pocket organizers made the idea of universal compatibility worth another look.

In theory, if you download a little Java applet to check your stock portfolio from your computer, you might also do the same on your cell phone. A cheap terminal might take the place of an

expensive desktop computer. As a headline on the JavaSoft Web site reads, "It works everywhere."

But the text just below that headline amends that thought to "just about everywhere," and tests in the current issue of PC Magazine reveal just how wide the gap between "everywhere" and "just about" can be.

Using several different virtual machines, including those found in Web browsers for Windows, Macintosh and Sun computers, 12 programs certified as "100 Percent Pure Java" ran properly only 64 percent of the time. The magazine reported that "no single environment was able to run every program successfully."

It is little wonder that programming was long ago modified Sun's battle cry. "Write once, run anywhere," "Write once, debug everywhere."

Developing for a one-size-fits-all virtual machine instead of a real one remains problematic.

PC Magazine's report included screen shots revealing that some programs displayed things properly on one machine but garbled or omitted text on others. The report also raised the classic question of the right mouse button on a two-button mouse: Because Macintoshes don't offer one, must Java developers avoid using it to avoid introducing incompatibilities?

Java programs often exhibit the performance problems that have been commonplace with virtual machine architectures. The simple Java-based menu on the JavaSoft site, for example, takes much longer to load and reappears more slowly than the standard non-Java one that appears by default.

Even in Sun's own house of Java, there are several different levels of purity. A program that runs on a cell phone can be expected to run properly on a big computer, but a program that works on a big computer will not necessarily work on the phone.

AND Java programs cannot do some rather important things, like printing, at all until the next version of the language comes along, with a slew of new features and incompatibilities. Sun predicts that will happen late this summer.

Forms of Java from competitors threaten to undermine compatibility even further. Microsoft's version deliberately omits two significant aspects of the "standard" version and adds new functions in a way designed to encour-

SITES

Related Internet sites:
Java one conference at:
www.java.sun.com/javaone

PC Magazine's Java article is at:
www.zdnet.com/pcmag/features/java98/index.html



TECHNOLOGY INDEX

A glance at technology stock indexes around the world

North America	Tuesday close	% change previous week	% change year to date
Pacific Stock Exchange Technology	345.98	+0.74	+19.07
Standard & Poor's Technology Composite	838.26	+2.85	+19.76
Europe			
Morgan Stanley Eurotech	554.59	+0.28	+43.97
Asia			
Topix Electric	1,736.01	+6.45	+5.59

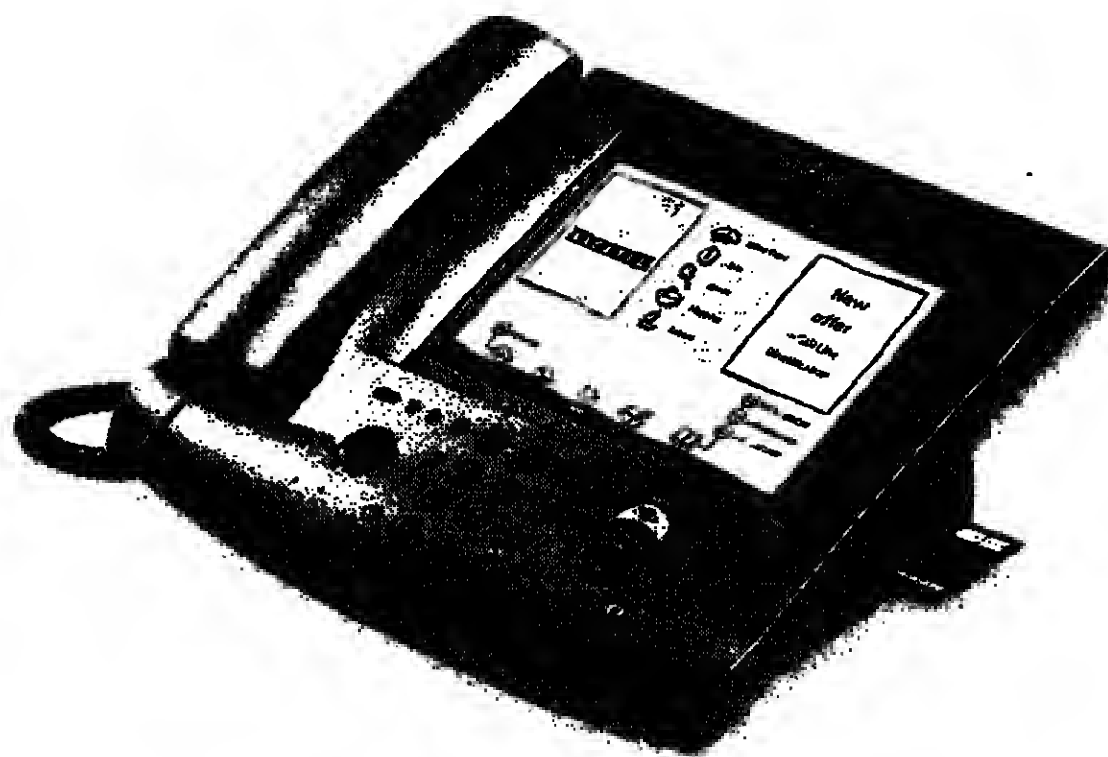
Source: Morgan Stanley, Bloomberg News

For technology articles from the past week, see the Technology Index on the IHT's World Wide Web site at <http://www.ihf.com>. Articles include:

- Intel Begins Transition As Grove Quits As CEO Mar. 27
- Silicon Graphics to Post "Significant" Loss Mar. 26-29
- Britain and Germany Press Plans to Privatize Aerospaciale Mar. 31
- Dell Sets Sights on China's PC Market Mar. 31
- Boeing and CSA Gat Stalks in Czech Jet-maker Mar. 31
- AT&T Scraps Unlimited Net Access Apr. 1
- Japan Firms to Cut Output of D-RAMs Apr. 1

To reach TribTech editors or to comment on IHT technology coverage, send e-mail to tribtech@ihf.com.

International Herald Tribune



BEST COMMUNICATION PRODUCT AWARD AT CEBIT '98 ALCATEL INTERNET SCREENPHONE

« The awarded product in each of the four categories was selected from more than 1300 entries presented at CeBIT '98. It was our aim to award those of which we expect to have a major impact on the future of the computer and communications world. »

Mr Rainer Grabowski,
Editor in Chief of CHIP Magazine.



« I am very proud of this award which recognizes Alcatel's vision of end-to-end Internet solutions; from the most powerful Internet-ready switches in the world, to leading edge ADSL access systems, to Internet terminals for everyone at anytime. »

Mr Serge TCHURUK,
Chief Executive Officer, Alcatel

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INTERNATIONAL

For Clinton, a Last Brush With Slavery Before Leaving Africa

By R. W. Apple Jr.
New York Times Service

LABORONE, Botswana — The last of President Bill Clinton's 12-day trip to Africa will be a visit to Gaborone on Thursday afternoon, just before he boards Air Force One for the return to Washington.

It was on Gaborone, a speck in the Atlantic Ocean off the coast of Senegal, that millions of Africans spent their last hours on the continent, chained to walls and underground cubicles, before being flown to the New World.

In the weighing room of the Slave Museum, men's muscles were examined, men's breasts measured and children's teeth checked. Then they were taken to what was considered an ideal sleeping weight — 140 pounds (64 kilograms) for men. Those who failed to meet specifications were fed to the sharks.

Mr. Clinton's visit, fraught with touching emotional symbolism, will bring to a climax the politics of contrition that has been practiced in Africa. Although his trip has been on the continent's future, especially the hope that political and

economic reform will make possible an increase in U.S. trade and investment here, he has apologized for what he depicted as excessive focus on Cold War imperatives in past U.S. relationships with African nations. He has also apologized for U.S. inattention to Africa.

But he has not explicitly apologized to Africans for slavery, as some African-Americans would like him to.

NEWS ANALYSIS

The White House spokesman, Mike McCurry, has been asked repeatedly about the subject and replied that the United States long ago made clear by word and deed that it considered slavery repugnant.

As he seeks in the months ahead to sell his policy of greater engagement with Africa to Congress, business and the American public, Mr. Clinton needs the backing not only of black voters but also of white moderates and conservatives. His efforts to increase aid to and trade with Africa would not be helped by a debate over apologizing for the benefits the United States derived from slavery or even paying reparations to modern African-Americans, as some have asked.

"Going back to the time before we

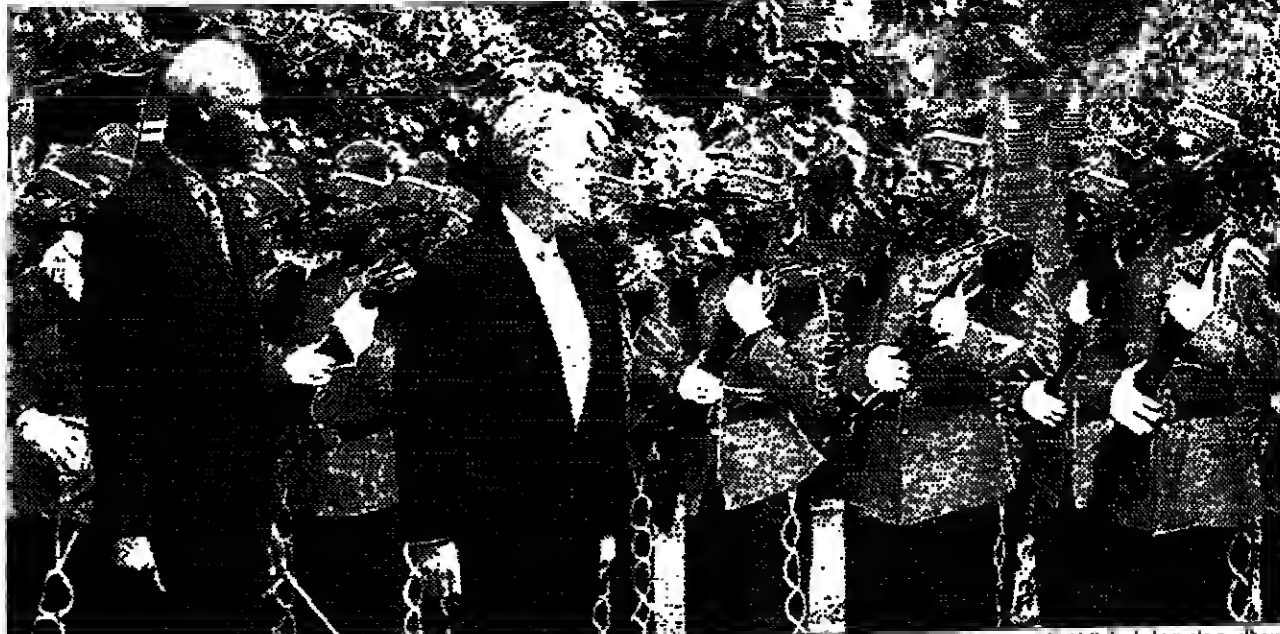
were even a nation, European-Americans received the fruits of the slave trade," Mr. Clinton said in Mukono, Uganda, in his most explicit comments on the issue so far. "We were wrong in that as well, although I must say, if you look at the remarkable delegation we have here from Congress, from our cabinet and administration, and from the citizens of America, you can see there are many distinguished African-Americans who are in that delegation who are making America a better place today."

Mr. Clinton returned to the subject in a weekend interview, released Tuesday, with correspondents for black-oriented news organizations. "Most of my African-American friends and advisers don't believe that we should get into what was essentially a press story about whether there should be an apology for slavery in America," he said.

"They think that that's what the 13th, 14th and 15th Amendment was, they think that's what the Civil Rights Amendment was, and they think we need to be looking toward the future."

The facts of slavery are complex, as are the reactions of African-Americans to efforts to bring it into discussions of modern U.S. policy toward African nations.

It was not only European slave traders and ship captains who profited for three centuries from the shipment of Africans to the United States, the West Indies and South American countries such as Brazil (where many voyages from Goree ended). Arab agents played a major role, as did African chiefs and clan leaders, especially in the territories stretching south from modern Senegal and then eastward in West Africa to present-day



The president of Senegal, Abdou Diouf, and Bill Clinton reviewing an honor guard on Wednesday in Dakar.

Nigeria and beyond.

African leaders, sorely tempted by products introduced to the continent by Europeans, sold their people into bondage for cloth, beads, tobacco, firearms and especially cheap liquor. It was the beginning of the plunder of Africa's riches by the outside world, starting with the most basic — its human resources.

Mr. Clinton's advisers, notably the African-Americans among them, have expressed conflicting views on the relevance of slavery to his trip. The Reverend Jesse Jackson, a special presidential en-

voy to Africa, took traveling reporters to task for what he described as their failure to appreciate the emotional links of African-Americans to their homeland and to the experience of slavery.

He said Madeleine Albright's trip last September to the Prague ghetto where her parents had been interned by Nazis was far more widely oiled than the trip of the Clinton entourage to the castle in Accra, Ghana, once used to protect slave traders. For people like himself, Transportation Secretary Rodney Slater and Labor Secretary Alexis Herman, Mr.

Jackson said, "It was a big emotional day," and that had been missed.

He also outlined an unusually Afrocentric view of American history, contending that the Reverend Martin Luther King Jr. had more to do with modern democracy than Thomas Jefferson.

Susan Rice, the assistant secretary of state for African affairs, sat glowering through much of Mr. Jackson's briefing. When her turn came she commented, "As an African-American, I would like to say that I think slavery is largely irrelevant to what we are about here."

Clinton Pumps Up the Volume

REUTERS

DAKAR, Senegal — When Bill Clinton pulls out his hearing aids, look out!

The president relaxed for his long flight from Botswana to Senegal on Tuesday by spreading about 100 compact disks on his desk on Air Force One.

He put into his boombox a CD of songs by Paul Robeson and turned it up loud, having removed the hearing aids that he uses to compensate for

slight hearing loss. "Mrs. Clinton came in and said, 'Bill, would you please turn that down?'" said the White House spokesman, Michael McCurry.

He described the scene as "like being in a dorm room."

"He must have at least 100 CDs up there," Mr. McCurry said. "He brings some of his collection with him when he travels. And he gets a lot of things from Chelsea," the Clintons' college-age daughter.

LEBANON: Israel Clears a Pullout Plan

Continued from Page 1

Yitzhak Mordechai, a former military commander in southern Lebanon, and Defense Ministry's coordinator for Lebanon, Uri Lubran, has generated considerable more political momentum in any previous such attempt.

Mr. Mordechai has traveled to France the United States for extensive talks. There have been reports of covert contacts with Lebanese officials. Mr. Mordechai has also met with Antoine Lahad, commander of the South Lebanese Army, to reassure him that his forces will not be abandoned by Israel, to garner his support.

Syria and Iran, Hezbollah's major sponsors, have taken the matter seriously enough to hold several high-level meetings with Lebanese leaders.

In contrast to Syria's resistance, relations from Iran have been mixed. The Iranian foreign minister, Kamal Kharrazi, was quoted in Beirut on Monday as saying that if Israel withdrew from Lebanon, "the goals of the resistance will have been achieved."

Hezbollah has insisted that it is right only to oust Israel from Lebanon, but leaders have stopped well short of

formally pledging to lay down their arms if Israel pulls out.

Mr. Mordechai's plan is for a negotiated pullout, in which the Lebanese Army would assume responsibility for security along Israel's border, and other countries, such as the United States and France, would provide some further guarantees for Israel's security.

It was Mr. Mordechai who first suggested that Israel might accept Resolution 425. A month ago, Mr. Netanyahu endorsed the suggestion.

But the plan came under intense attack from Ariel Sharon, the hawkish Minister of Infrastructure. Mr. Sharon proposed an alternative plan, under which Israel would unilaterally withdraw in stages, but on the understanding that if there was any attack on Israel, the army would return, and would strike at such Lebanese targets as water reservoirs or power plants.

The army command reportedly resisted both plans. Mr. Mordechai's because it would raise false hopes, and Mr. Sharon's because it would risk bringing Israel into a full-scale war with Syria. The army's position, which reportedly has support from the United States, is that a solution to Lebanon can come only through a peace agreement with Syria.

By Steven Erlanger
New York Times Service

WASHINGTON — The U.S. Middle East negotiator, Dennis Ross, has returned to Washington after another out-of-the-future trip, leaving the Clinton administration with a set of difficult choices.

Does President Bill Clinton decide to continue down Prime Minister Benjamin Netanyahu's preferred path of minor concessions, modest progress and high tension, sending Mr. Ross back to the Middle East yet again, or change tack and try to put real pressure on the parties and go public with the administration's views?

Mr. Ross made some headway with Mr. Netanyahu and the Palestinian leader, Yasser Arafat, especially on how a third Israeli redeployment might be decided and on how to handle a possible "time-

out" on Israeli settlement activity.

But Secretary of State Madeleine Albright said Tuesday that "it's not nearly enough" for a breakthrough in the Israeli-Palestinian impasse, and the very nature of the process — slow, tense and exceedingly incremental — gives no easy answer to the Clinton administration's Middle Eastern dilemma.

NEWS ANALYSIS

That stalemate is damaging not only Israel's position in the Middle East, but Washington's, too, in a period when Iran policy is in flux and Iraq remains a crisis that, at best, is only in abeyance.

"Don't believe those who say there is a peace process; that's not the situation," Mrs. Albright told American Jewish leaders in a briefing on Friday, according to notes on her call.

"There is a real problem, and the United States is losing its credibility

among all the parties involved."

The United States has no final plan of its own, senior White House officials insist, but is only trying to refine a proposal that represents Washington's judgment of a compromise acceptable to all involved.

The U.S. strategy has been to phase Israeli withdrawals from the West Bank, due under the Oslo Accords, in parallel with specific Palestinian steps against terrorism, culminating after three months in accelerated negotiations on a final settlement between the parties.

Part of the U.S. frustration is cocooned with Mr. Netanyahu is playing for time — with minor concessions like those to Mr. Ross and with ideas like giving the Palestinians less but more contiguous land, because he prefers to risk confrontation with Washington rather than with the harder-line right wing in his own cabinet.

That is why, the officials say, Mr. Netanyahu suggests a withdrawal of 10 percent or 11 percent to Mr. Clinton, while denying, sometimes to his own cabinet, that he has done so, preferring simply to call the U.S. proposal of a 13 percent withdrawal unacceptable on security grounds.

But despite the general impatience with Mr. Netanyahu, Mr. Clinton and Vice President Al Gore are not convinced that an open confrontation with an elected Israeli prime minister — or his politically active American supporters — is the best tactic to pursue, senior U.S. officials say.

That is why Mr. Clinton reversed himself and sent Mr. Ross out this last time, after Mr. Netanyahu presented some promising new ideas, and why Mr. Netanyahu hopes Mr. Clinton will agree to send Mr. Ross again.

Mr. Netanyahu is trying to hold back concessions for the final peace talks, the goal to which the stalled interim agreement is supposed to be the bridge. But Israeli and Arab officials acknowledge

that trust between the parties is so low that Mr. Arafat is trying to get all the territory he can now, before those talks begin, in case they founder.

Senior U.S. officials understand Mr. Netanyahu's tactics, while regarding them as short-sighted, and the security difference the Israelis insist upon — between 13 percent and 11 percent — as essentially spurious.

They believe that Mr. Netanyahu may be willing to make a deal, at the last moment, "only when he has exhausted all other possibilities," one official said.

And they believe that the U.S. proposal, should Mr. Clinton decide to go public with its outlines, will strike most Israelis as eminently reasonable and closer to the Israeli position than the Palestinian one. Going public would create more moral and political pressure on Mr. Netanyahu to agree or make a deal rather than risk an open rupture with the U.S. president.

At stake would be the relationship with the United States and its president, who are regarded as true, unselfish and vital friends of Israel.

Even more important, one official said, is that "the relationship with the United States is not just friendship, it's the guarantee of Israeli security, and that's important to people."

An open battle with Washington was an important reason that a previous Likud prime minister, Yitzhak Shamir, lost the 1992 election, and Israelis are unlikely to thank Mr. Netanyahu for a ruined relationship with Washington over 2 percent of the West Bank that few Israelis could identify.

In the end, Mr. Clinton will have to decide if he thinks Mr. Netanyahu is serious about peace, and if the United States, given all its interests in the Middle East, could ever afford to lay out a plan and then — if it is refused by either side — declare a "policy review" and, in effect, walk away.

TERROR: Alert Ordered After Killing

Continued from Page 1

city." But behind the blaze of rhetoric, the circumstances of Mr. Sharif's death remained mysterious.

A Palestinian autopsy reportedly found that he had been shot twice in the chest and once in the leg about three hours before the car blew up.

But Defense Ministry Yitzhak Mordechai of Israel, who went on television to deny emphatically any link by Israeli authorities to the killing, suggested that Mr. Sharif might have been killed by a bomb he was rigging in the car or perhaps by members of the Palestinian security forces.

"Muhyiddin Sharif is a murderer, one of the greatest criminals and terrorists," Mr. Mordechai said.

"He was responsible for many terrorist attacks, but we were not involved in this matter,"

Israeli security forces narrowly missed capturing Mr. Sharif when he raided his family's home in East Jerusalem in July 1995.

The Israelis demolished the house in March 1996 after the string of suicide attacks that followed the assassination of Mr. Ayyash.

Hamas carried out four bombings then, and the attacks were widely credited with helping Mr. Netanyahu defeat the dovish incumbent prime minister, Shimon Peres, in the elections held in May 1996.

Mr. Sharif was to be buried Thursday in Ramallah. Thousands are expected to attend the funeral.

"Muhyiddin is gone, but someone else will take his place," said his brother, Ibrahim. "Yahya Ayyash went, and 10 took his place. Now this one, maybe 1,000 will replace him. The holy war goes on."

BRIEFLY

Kocharyan Wins Runoff in Armenia

YEREVAN, Armenia — Prime Minister Robert Kocharyan was declared the winner of the presidential runoff election Wednesday, but his challenger refused to accept the result.

The Organization for Security and Cooperation in Europe said there had been some instances of fraud in the election Monday but did not question the outcome.

Some of the 150 observers that the organization fielded criticized the run as too soft and said the level of fraud they had witnessed could have affected the result.

The camp of Karen Demirchyan, the runner-up, disputed the organization's finding.

"How many abuses and instances of fraud do there have to be for the legitimacy of the election to be in question?" asked Mr. Demirchyan's campaign chief, Armen Khachatryan.

He said Mr. Demirchyan would use all legal means to contest the result.

With almost all votes counted, Mr. Kocharyan, 43, the acting head of state since the resignation in February of President Levon Ter-Petrosyan, had 93 percent of the vote, compared with 40.7 percent for Mr. Demirchyan, who once ran Armenia as its Soviet Communist leader.

A spokesman for Mr. Kocharyan, Vahagn Vartanyan, proclaimed victory, saying, "We have won and won by a big margin."

Communists Show Gain in Ukraine Vote

KIEV — The strong showing by the Communists in Ukraine's parliamentary elections should force the country's leaders to carry out reforms more effectively, an aide to President Leonid Kuchma said Wednesday.

With nearly all the votes from Sunday's balloting counted, the Communist Party was set to occupy more than a quarter of the 450 seats in Parliament. Other leftists who capitalized on falling living standards in their campaigns also fared well.

Mr. Kuchma's administration chief, Levchenko Kuchmarov, said, "A meaningful quantity of people voted against the poor lives they lead today, and this

5 Sentenced to Die in Guatemala City

GUATEMALA CITY — Five men were sentenced to death and six women received 50 years in prison each for kidnapping a businessman and his 8-year-old son.

The sentences, imposed Monday, are part of an effort to attack rising crime in Guatemala.

The defendants were found guilty of seizing Juan Enrique Corzo de la Cerda and his son, Luis Pedro, on April 18, 1996.

The son was freed after eight days to deliver to authorities his father's finger, which the kidnappers had amputated as a warning. The father was released three weeks later after several ransom payments.

Mexico Grounds U.S.-Made Copters

MEXICO CITY — The government has grounded 72 aging helicopters donated by the United States for the war on drugs, saying the aircraft were unsafe.

The Defense Ministry said Tuesday it had ordered the UH-1H helicopters to stay on the ground until officials could determine the cause of mechanical failures.

"To protect the safety of the crew and passengers," the ministry said, the 72 helicopters "will remain on the ground until we establish the nature of mechanical failures that cause accidents and a way to fix them."

The ministry did not say whether there had been an accident recently. Recent media reports, however, have suggested the helicopters were delivered in poor condition and often needed major repairs.

MINORITIES: Schools Jettison Diversity

Continued from Page 1

of next year's freshman classes will consist of minorities, because the applicants have yet to choose where they will go and many will probably be able to go to the smaller state campuses.

The two campuses that are known to be least selective, Riverside and Santa Cruz, reported increases in minority admissions. Moreover, the very top candidates may choose private institutions like Harvard and Stanford, where many may have also been admitted.

The percentage of Asian-Americans, who are not considered underrepresented minorities in California, increased slightly. Asians account for 38.3 percent of freshman admissions at Berkeley this year, up from 35.5 percent last year. At UCLA, they account for 33 percent, a 0.8 percent increase from last year.

Mr. Berdahl, the Berkeley chancellor, and Albert Camarale, the UCLA chancellor, both said at news conferences that they would try to persuade the minority members admitted to attend their universities and not leave the system or the state for other institutions.

They said they were concerned that the number of students attending would fall further from those admitted because those minority members offered a slot at these campuses are the very top performing students sought after by colleges everywhere. Both chancellors said they feared a chilling effect on the attitude of future high school seniors toward California's best state campuses. "Now the challenge before us is, despite this drop in admission in underrepresented minorities, to get the highest possible enrollment so we can maintain the diversity of this campus," Mr. Camarale said.



A WURST FOR YOUR THOUGHTS — A German mail deliverer holding a sausage to tame a hostile dog in a photo distributed by the Federal Post Office. It illustrates an April Fool's hoax that postmen will be equipped with such sausages for their daily rounds.

CLASS: Courting Businessmen, U.S. Airlines Offer Fuller Service for Full-Fare Fliers

Continued from Page 1

sandwich. They also are entitled to use special airport lounges.

The focus in the United States on the elite, who represent fewer than a tenth of all passengers but contribute more than 40 percent of the industry's revenue, often translates into a decline in service for everyone else. Few airlines are adding workers to staff their new premium services, so budget travelers may have to make do with longer check-in lines and longer waits for baggage.

US Airways recently removed a row of coach seats in each of its wide-body planes to make room for a new, luxurious business-class service. The distance from row to row in the new section is 55 inches (130 centimeters), a grand canyon compared with the 31 inches in coach, where the old seats merely received new covers.

American Airlines announced last

month that it would remove 12 coach seats on many of its planes flying domestic routes, to add six in first class. It also introduced a new top tier in its frequent-flier program, promising special concierge service in Chicago, Dallas, Miami and New York, among other things.

Both American and TWA have also begun giving more frequent-flier credits to passengers who pay top dollar. TWA, for example, grants an extra mile for each dollar spent on a full-fare ticket.

Northwest Airlines and United Airlines have even begun limiting the number of bags low-paying passengers can carry onto certain flights.

United, Delta Air Lines and others once routinely let passengers with small children board first. Now that privilege is reserved for full-fare passengers and frequent fliers.

"I'm amazed at how poor the general coach service is," said Jean Wyman,

president of Good Thinking Inc. in Baltimore, which sells self-improvement audiotapes.

"The general feeling is, 'If you are sitting in coach, we don't have to be nice to you,'" said Ms. Wyman, who was an elite traveler until she started her own business.

For most travelers, there is little choice. "The people who are left out in the cold are the leisure travelers who want something better and would be willing to pay a modest amount for that," said Ed Perkins, editor of the Consumer Reports Travel Letter. "Your cheap ticket is a very bad product, and if you want a good product, you pay up to 12 times as much."

Most major airlines now give prime spots in the front of the coach cabin to business travelers who pay full fares but are not lucky enough to be upgraded to business or first class. They often have an empty seat next to them, while pas-

sengers flying on discount tickets are packed three abreast.

The airlines deny that they skimp on service for economy-fare passengers, saying they are simply offering more to those who pay the highest fares.

"I think the principle 'You get what you pay for' is recognized in America and around the world," said Donald Casey, a TWA executive vice president.

One problem the airlines face is that even with their expansions of first-class cabins, there are still too few premium seats on many domestic flights, meaning that some full-fare passengers end up staying in coach. Business travelers complain that they are then treated the same as passengers who have paid much less.

"Sometimes I'm paying \$1,000 in coach and somebody sitting next to me is paying \$300 and we are both getting lousy service," said Peter Schaeffer, a stock analyst at SBC Warburg Dillon Read in New York, who flies regularly.

'Big Bang' in Japan Begins Under a Cloud

Tokyo Blasted for Failed Stock Manipulation

By Sandra Sugawara
Washington Post Service

TOKYO — After years of manipulating its financial markets, Japan is discovering that it isn't as easy to do so these days.

On Wednesday, the government lifted foreign-currency controls, setting off its "Big Bang" deregulation in an effort to transform Tokyo into a financial center that could rival New York and London. But analysts said that its blatant and relatively unsuccessful attempt just the day before to raise stock prices was a setback to Japan's efforts to improve its credibility in financial markets.

"They just don't get it," said Craig Chudler, market strategist with Salomon Smith Barney. "It's old-style politics. It might have worked before, but it won't work now."

Yoshiro Ikuya, an analyst at Commerzbank, said: "The government did unreasonable and incredible things to

manipulate the market being steadily reduced as we've gone through the 1990s, and it's been further reduced by recent scandals within the Finance Ministry and the Bank of Japan, which have hurt the credibility of those institutions," Jason James, head of research at HSBC in Tokyo, said.

The reason for the Liberal Democrats' apparent obsession with the level of the stock market is that many Japanese companies hold stocks, a cornerstone of Japan's keiretsu system in which companies are interlinked in a web of interests, holdings and favors. Companies hold the stock of their main banks, and banks hold stocks of their customers.

That means a plunge in stock prices can hurt a company's profit. For instance, Nissan Motor Co. said Wednesday it would incur a \$379 million loss from its stock holdings. Nikko Research estimated that Tuesday's Nikkei close represented a latent loss of \$23 billion for the exchange's 1,188 listed companies, excluding financial concerns, which were allowed to change accounting practices.

Now that the financial year has ended, analysts say bad news kept under wraps before Tuesday may emerge. The market fell Wednesday on news that Dai-ichi Corp., a financial company, was considering liquidation. "It's been eerily quiet on the bankruptcy front for the last three months," said Mr. James. "I don't know, but because this news came out on April 1, it does perhaps hint that there may be another wave of bankruptcies."

Tankan to Reflect Pessimism

The Bank of Japan's tankan business survey, to be released Thursday, is expected to indicate that corporate managers see little hope for recovery in sales and profits as Japan slides toward recession, Bloomberg News reported.

The quarterly survey's main index, which includes responses from more than 700 large manufacturers, could fall to minus 23 in the March survey, worse than the minus 15 registered in December, economists said. That deterioration in confidence — negative numbers show that pessimists outnumber optimists — reflects moves by companies to slash output as they watch sales stagnate and exports to Asia fall.

'It's old-style politics. It might have worked before, but it won't work now.'

make the stocks look better. From today, bank stocks will decline. There is no other country in the world that manipulates the stock market to this degree.

The analysts were referring to efforts Tuesday, the last day of Japan's financial year, to push share prices up on the Nikkei stock index so that it would close at 18,003 points or higher. That was the level publicly targeted by the governing Liberal Democratic Party to try to make Japanese companies — which count equities as part of their holdings — look more profitable.

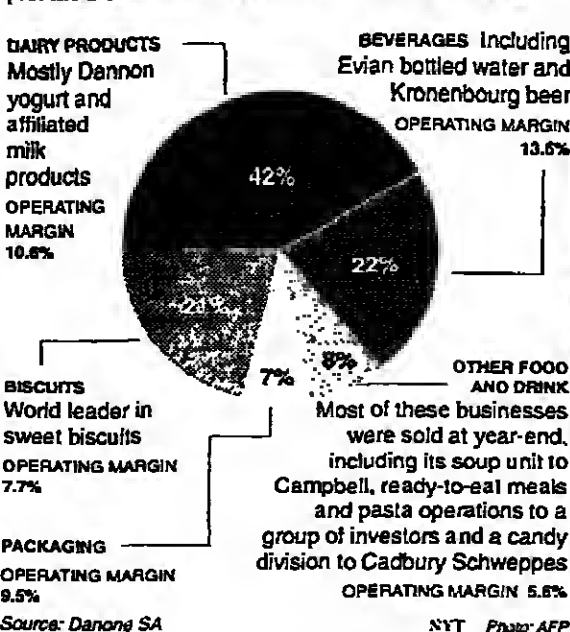
But the market failed to cooperate, and the Nikkei closed at 16,527; on Wednesday, stocks fell a further 1.7 percent, to 16,241.66.

The effort, known here as a "price-keeping operation," astonished many foreign investors who thought Japan was moving to deregulate its financial markets.

"The ability of authorities to ma-

Slimming Down

Since taking over Danone, the French food conglomerate, Franck Riboud (right) has sold off some of the company's assets in order to focus on its more profitable businesses. Here is the 1997 sales breakdown.



At Danone, Returns of a Prodigal Son

By John Tagliabue
New York Times Service

PARIS — When Franck Riboud was named as a shareholder's meeting in 1994 to eventually succeed his father as the head of Danone SA, France's largest food company, the room rocked with catcalls. Though he had spent 13 years working his way up Danone's corporate ladder, Franck Riboud had never shaken his reputation for being something of a beach bum after college. Simple nepotism had won him the job, the critics said.

But less than four years later, the catcalls have largely turned to kudos. Franck Riboud has managed to transform his father's scattershot collection of food businesses into a lean and focused company with a worldwide reach, one that puts it in the running with the likes of CPC International Inc., Nestle SA and Unilever.

"Shareholders were a bit disappointed at first, thinking he was his father's son," Edouard de Boisselin, who fol-

lows Danone for Merrill Lynch in London, said. "It turned out the guy is good — he was the right choice."

It is not that what Franck Riboud has done is so original, his newfound supporters say. It is just that he has executed it well.

By taking a page from John Welch Jr.'s playbook at General Electric Co.,

INTERNATIONAL MANAGER

Mr. Riboud focused Danone on expanding businesses in which it was No. 1 — fresh dairy products such as Dannon yogurt; cookies and snacks, including the Lu brand; and beverages such as Kronenbourg beer and Evian mineral water.

Mr. Riboud, 42, also got rid of underperforming businesses, such as soups and pasta, and expanded aggressively into Eastern Europe, South America and Asia and has sculpted the name Danone — Dannon in the United States — into a global brand.

"I'm always under pressure to suc-

ceed," Mr. Riboud said. "But you need pressure to achieve. You try harder."

Now the question is not whether Mr. Riboud is up to the job, but whether he can maintain the company's pace.

Some analysts are skeptical. It is one thing, they say, to make sense out of a mishmash of a conglomerate and quite another to keep the momentum going for the long term.

"The problem," said Jean-Marie L'Home, who follows the company for Banque Nationale de Paris, "is that opportunities for growth in Asia and Latin America are more and more rare. Either you build businesses yourself, which is time-consuming, or you buy small and big companies and merge them, which is costly."

That Mr. Riboud would wind up

anywhere near the chairman's desk, let alone behind it, seemed a preposterous idea two decades ago when he finished technical school as an engineer but decided to follow his real passion — windsurfing — and shun the empire his father had built from scratch.

See DANONE, Page 15

Zenith Says It May Face Bankruptcy

TV Maker's Shares Dive After New Loss Is Posted

The Associated Press

CHICAGO — Zenith Electronics Corp., whose bulky television sets once adorned millions of American homes, warned Wednesday it may be forced into bankruptcy as it continues to post big losses.

The company reported yet another quarterly loss — this time of \$155.7 million — and announced it was undertaking what could be a last-ditch restructuring to bring down its costs.

The news sent Zenith's stock plunging \$2 to \$4.625 in late trading on the New York Stock Exchange.

The company said that it had secured a line of credit from its majority stockholder, LG Electronics Inc. of South Korea, that would keep it going through June 30.

Zenith has reported only one profitable quarter since 1985.

Jeffrey Gannon, the recently appointed Zenith chief executive, warned that the company may be forced to seek "out-of-court and in-court financial restructurings" if LG Electronics refuses to provide additional financing or if Zenith fails to find additional investors.

LG Electronics years ago purchased a majority interest in Zenith, hoping that a desire among manufacturers and lawmakers to bring digital, crystal-clear television to American viewers would bring Zenith back to its glory days — and billions to LG Electronics, which also makes Samsung products.

But the advent of high-definition television has been slowed amid wrangling over whether companies should first market the expensive televisions and digital set-top boxes or cable providers should first switch their systems to provide the necessary signals.

Zenith has in the meantime been bleeding red ink, and analysts have speculated that the Korean financial crisis is likely to force LG Electronics to pull the plug on further financial support.

For the three months ended Dec. 31, Zenith reported a net loss of \$155.7 million, compared with a loss of \$69.3 million a year earlier. Sales fell to \$347.7 million from \$427.6 million.

Is the Euro 'Condemned to Succeed?'

By Anne Swardson
Washington Post Service

PARIS — The cover of last week's L'Express magazine came with a tiny calculator stuck on it. Programmed to convert between the French franc and the euro, the forthcoming European single currency, the calculator is another sign of the apparent inevitability of the new money.

It appears nothing can prevent 11 of the 15 European Union nations from taking the first steps toward merging their currencies into one at a special EU meeting in Brussels May 1-2. European leaders have pursued the euro with unwavering dedication for more than seven years.

At the Brussels meeting, the EU leaders are to choose formally the 11 initial euro members — Germany, France, Italy, the Netherlands, Belgium, Spain, Portugal, Luxembourg, Austria, Finland and Ireland.

The single-currency plan will take effect in January, when the euro becomes a currency in the financial sense, trading on international exchanges in place of its 11 predecessor currencies. The actual notes and coins will be introduced over a six-month period starting Jan. 1, 2002, after which the participants' present currencies will cease to be legal tender.

Despite this carefully choreographed timetable, the euro will have many changes to go away in the months and years to come. Economists in Europe and the United States point out that although there is considerable political impetus for a single currency, Europe is in some ways far from a model monetary zone.

Its economies are fragmented, its people rooted to their home countries, its cultures vastly different, its unemployment high and politically explosive, its political powers decentralized.

Although the currency marriage is almost certain to be solemnized at the Brussels summit meeting, there are still many ways the match could end in divorce.

Essentially, say those who have thought through various disaster scenarios, the economic misalignments and weaknesses of the member countries are sure to be brought out by the financial markets at some point. The European Monetary System — a continental exchange-rate mechanism that forced EU currencies to trade within narrow bands — was brought to its knees in 1992, when countries tried to align their currencies more closely than economic fundamentals permitted. In the same way, the euro could be swiftly ripped apart if gaps start to develop.

"The probability of an explosion is very strong," said Jean-Jacques Rosa, a French economist, who explored the flaws of the euro plan in his new book "The European Error."

Still, the financial traders of Europe and the United States — those who would move in at any sign of weakness in the new currency — are betting that the euro succeeds. Exchange rates between the euro and other currencies are stable and interest rates throughout Europe are coming closer together, signs that the markets trust the currency merger. At Paribas International Markets, the investment firm that prides itself on the most thorough research into possible euro outcomes, analysts brain-

storm daily on ways the new currency could go wrong. So far, they have not come up with one that their forecasts show as likely. For the euro to explode, markets will have to lose faith in it, and the political will behind the project is so strong that the markets have been carried along.

But even the new currency's strongest proponents acknowledge that the economies of continental Europe have serious structural weaknesses. In addition, the four-year path of transition to the euro presents opportunities for financial speculators.

"We can't quite call the timing on this one, but something at some point will happen to cause destabilization," said Walter Eltis of Exeter College at Oxford University in Britain and author of a booklet called "The Creation and Destruction of EMU." EMU stands for Economic and Monetary Union. Essentially, say Mr. Rosa and other economists, the euro nations will not have the natural shock absorbers needed to share a currency, and thus an economy.

Unlike in the United States, for instance, people who lose their jobs in Europe are not likely to pick up and move long distances to find work. Language and cultural barriers make it much less likely that an auto worker will move from Germany to Spain, for instance, than that a similarly qualified worker will move from Michigan to Tennessee.

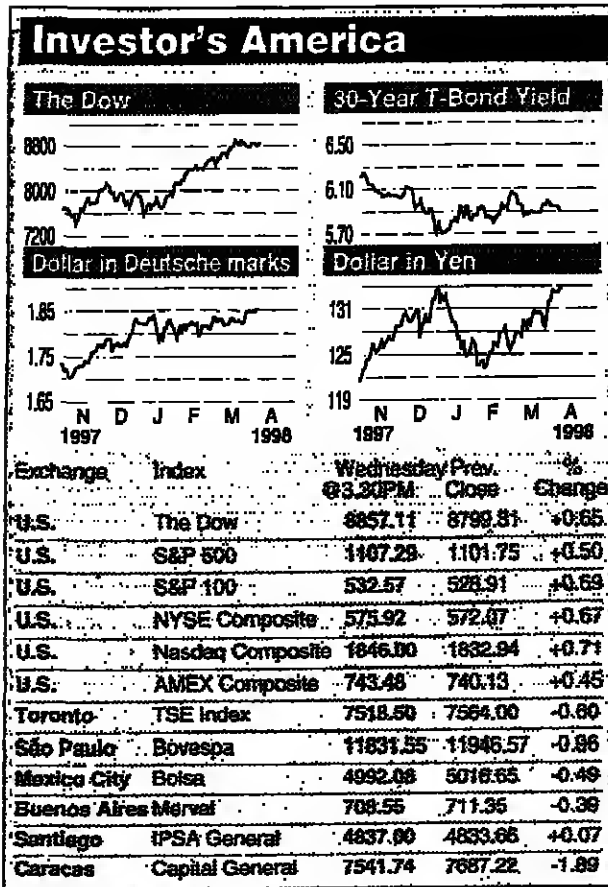
In addition, the levers of government used to limit economic misery during recessions will be less available in Europe. Where the U.S. Federal Reserve can reduce interest rates to en-

See EURO, Page 15

CURRENCY & INTEREST RATES

April 1									
Cross Rates									
	\$	£	D.M.	F.F.	Y.F.	D.F.	S.F.	Y.F.	CS
Australian	2.067	1.046	112	23.80	6174*	—	5.635	1.3619	1.6525
Belgian	36.05	3.91	20.25	—	2.005	113.85	—	2.09	8.989
Brazilian	10.00	2.675	—	—	0.0104*	0.0104*	4.884	1.5847	13.670
Canadian	1.335	0.675	—	—	—	—	—	1.361	1.1787
Dutch	2.36	1.20	—	—	10.380	3.055	4.60	6.927	2.527
French	6.55	3.275	—	—	—	—	—	11.676	17.077
German	1.936	0.968	—	—	—	—	—	4.119	10.887
Indian	157.94	—	—	—	—	—	69.15	47.79	1.891
Italian	1.36	0.68	—	—	—	—	—	13.643	126.68
Japanese	163.88	30.98	96.75	24.37	—	—	30.31	13.935	1.017
Mexican	—	—	—	—	—	—	—	4.854	3.561
Norwegian	—	1.0725	—	—	—	—	—	9.428	0.915
Portuguese	4.44	2.22	—	—	1.356	102.80	2.085	—	—
Spanish	16.66	8.33	—	—	—	—	1.939	2.722	6.104
Swedish	4.66	2.33	—	—	—	—	—	4.854	3.561
Swiss	1.475	0.7375	—	—	—	—	—	9.81	—
Taiwan	1.335	0.6675	—	—	—	—	0.797	8.994	1.089
Thai	1.074	0.537	—	—	—	—	—	1.165	1.081
Yugoslavian	1.235	0.6175	—	—	—	—	—	1.012	1.012
Yen	1.35	0.675	—	—	—	—	—	1.012	1.012
1980	1.02	0.51	—	—	—	—	—	1.012	1.012
1981	1.02	0.51	—	—	—	—	—	1.012	1.012
1982	1.02	0.51	—	—	—	—	—	1.012	1.012
1983	1.02	0.51	—	—	—	—	—	1.012	1.012
1984	1.02	0.51	—	—	—	—	—	1.012	1.012
1985	1.02	0.51	—	—	—	—	—	1.012	1.012
1986	1.02	0.51	—	—	—	—	—	1.012	1.012
1987	1.02	0.51	—	—	—	—	—	1.012	1.012
1988	1.02	0.51	—	—	—	—	—	1.012	1.012
1989	1.02	0.51	—	—	—	—	—	1.012	1.012
1990	1.02	0.51	—	—	—	—	—	1.012	1.012
1991	1.02	0.51	—	—	—	—	—	1.012	1.012
1992	1.02	0.51	—	—	—	—	—	1.012	1.012
1993	1.02	0.51	—	—	—	—	—	1.012	1.012
1994	1.02	0.51	—	—	—	—	—	1.012	1.012
1995	1.02	0.51	—	—	—	—	—	1.012	1.012
1996	1.02	0.51	—	—	—	—	—	1.012	1.012
1997	1.02	0.51	—	—	—	—	—	1.012	1.012
1998	1.02	0.51	—	—	—	—	—	1.012	1.012
1999	1.02	0.51	—	—	—	—	—	1.012	1.012
2000	1.02	0.51	—	—	—	—	—	1.012	1.012
2001	1.02	0.51	—	—	—	—	—	1.012	1.012
2002	1.02	0.51	—	—	—	—	—	1.012	1.012
2003	1.02	0.51	—	—	—	—	—	1.012	1.012
2004	1.02	0.51	—	—	—	—	—	1.012	1.012
2005	1.02	0.51	—	—	—	—	—	1.012	1.012
2006	1.02	0.51	—	—	—	—	—	1.012	1.012
2007	1.02	0.51	—	—	—	—	—	1.012	1.012
2008	1.02	0.51	—	—	—	—	—	1.012	1.012
2009	1.02	0.51	—	—	—	—	—	1.012	1.012
2010	1.02	0.51	—	—	—	—	—	1.012	1.012
2011	1.02	0.51	—	—	—	—	—	1.012	1.012
2012	1.02	0.51	—	—	—	—	—	1.012	1.012
2013	1.02	0.51	—	—	—	—	—	1.012	1.012
2014	1.02	0.51	—	—	—	—	—	1.012	1.012
2015	1.02	0.51	—	—	—	—	—	1.012	1.012
2016	1.02	0.51	—	—	—	—	—	1.012	1.012
2017	1.02	0.51	—	—	—	—	—	1.012	1.012
2018	1.02	0.51	—	—	—	—	—	1.012	1.012
2019	1.02	0.51	—	—	—	—	—	1.012	1.012
2020	1.02	0.51	—	—	—	—	—	1.012	1.012
2021	1.02	0.51	—	—	—	—	—	1.012	1.012
2022	1.02	0.51	—	—	—	—	—	1.012	1.012
2023	1.02	0.51	—	—	—	—	—	1.012	1.012
2024	1.02	0.51	—	—	—	—	—	1.012	1.012
2025	1.02	0.51	—	—	—	—	—	1.012	1.012
2026	1.02	0.51	—	—	—	—	—	1.012	1.012
2027	1.02	0.51	—	—	—	—	—	1.012	1.012
2028	1.02	0.51	—	—	—	—	—	1.012	1.012
2029	1.02	0.51	—	—	—	—	—	1.012	1.012
2030	1.02	0.51	—	—	—	—	—	1.012	1.012
2031	1.02	0.51	—	—	—	—	—	1.012	1.012
2032	1.02	0.51	—	—	—	—	—	1.012	1.012
2033	1.02	0.51	—	—	—	—	—	1.012	1.012
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2038	1.02	0.51	—	—	—	—	—	1.012	1.012
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2052	1.02	0.51	—	—	—	—	—	1.012	1.012
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2055	1.02	0.51	—	—	—	—	—	1.012	1.012
2056	1.02	0.51	—	—	—	—	—	1.012	1.012
2057	1.02	0.51	—	—	—	—	—	1.012	1.012
2058	1.02	0.51	—	—	—	—	—	1.012	1.012
2059	1.02	0.51	—	—	—	—	—	1.012	1.012
2060	1.02	0.51	—	—	—	—	—	1.012	1.012
2061	1.02	0.51	—	—	—	—	—	1.012	1.012
2062	1.02	0.51	—	—	—	—	—	1.012	1.012
2063	1.02	0.51	—	—	—	—	—	1.012	1.012
2064	1.02	0.51	—	—	—	—	—	1.012	1.012
2065	1.02	0.51	—	—	—	—	—	1.012	1.012
2066	1.02	0.51	—	—	—	—	—	1.012	1.012
2067	1.02	0.51	—	—	—	—	—	1.012	1.012
2068	1.02	0.51	—	—	—	—	—	1.012	1.012
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2072	1.02	0.51	—	—	—	—	—	1.012	1.012
2073	1.02	0.51	—	—	—	—	—	1.012	1.012
2074	1.02	0.51	—	—	—	—	—	1.012	1.012
2075	1.02	0.51	—	—	—	—	—	1.012	1.012
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2080	1.02	0.51	—	—	—	—	—	1.012	1.012
2081	1.02	0.51	—	—	—	—	—	1.012	1.012
2082	1.02	0.51	—	—	—	—	—	1.012	1.012
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2084	1.02	0.51	—	—	—	—	—	1.012	1.012
2085	1.02	0.51	—	—	—	—	—	1.012	1.012
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2087	1.02	0.51	—	—	—	—	—	1.012	1.012
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2091	1.02	0.51	—	—	—	—	—	1.012	1.012
2092	1.02	0.51	—	—	—	—	—	1.012	1.012
2093	1.02	0.51	—	—	—	—	—	1.012	1.012
2094	1.02	0.51	—	—	—	—	—	1.012	1.012
2095	1.02	0.51	—	—	—	—	—	1.012	1.012
2096	1.02	0.51	—	—	—	—	—	1.012	1.012
2097	1.02	0.51	—	—	—	—	—	1.012	1.012
2098	1.02	0.51	—	—	—	—	—	1.012	1.012
2099	1.02	0.51	—	—	—	—	—	1.012	1.012
2100	1.02	0.51	—	—	—	—	—	1.012	1.012
2101	1.02	0.51	—	—	—	—	—	1.012	1.012
2102	1.02	0.51	—	—	—	—	—	1.012	1.012
2103	1.02	0.51	—	—	—	—	—	1.012	1.012
2104	1.02	0.51	—	—	—	—	—	1.012	1.012
2105	1.02	0.51	—	—	—	—	—	1.012	1.012
2106	1.02	0.51	—	—	—	—	—	1.012	1.012
2107	1.02	0.51	—	—	—	—	—	1.012	1.012
2108	1.02	0.51	—	—	—	—	—	1.012	1.012
2109	1.02	0.51	—	—	—	—	—	1.012	1.012
2110	1.02	0.51	—	—	—	—	—	1.012	1.012

THE AMERICAS



Very briefly:

- Columbia/HCA Healthcare Corp., which is the target of a federal fraud investigation, also is under scrutiny from the Securities and Exchange Commission over possible violations of securities laws.
- A computer glitch at the Chicago Board of Trade halted trading of grain and soybean futures contracts for nearly an hour. The software problem shut down the system for updating quotes, displaying them for traders and transmitting them to outside sources.
- MCI Communications Corp. will delay filing its 1997 annual report because of a dispute with the SEC about the timing of a fourth-quarter charge that resulted in a quarterly loss of \$391 million.
- AMR Corp.'s American Airlines plans to order at least seven more 777 jets, valued at as much as \$1 billion, from Boeing Co. as the airline adds routes to Asia. The airline already was scheduled to receive seven B-777s in 1999.
- Teradyne Inc. plans to expand its computer-chip testing business in Agoura Hills, California, and hire 300 workers by year's end to meet increasing demand.

GTECH to Sell Stake in U.K. Lottery

LONDON — GTECH Holdings Corp., a U.S. lottery operator, said Wednesday it would sell its stake in Britain's lottery after coming under heavy fire when its former chairman lost a sensational libel trial.

Regulators have been trying to determine whether GTECH was "fit and proper" to retain a role in the National Lottery, the world's largest, but the company bowed out as a shareholder before any ruling was made.

GTECH's partners in the lottery agreed to purchase the company's 22.5 percent stake for \$51 million (\$85.4 million), according to statements from GTECH and Camelot, the consortium GTECH assembled to run the games.

Strong Economic Data Propel a Wall Street Rally

Compiled by Our Staff From Dispatches

NEW YORK — Stocks

rose Wednesday after reports showed a strong U.S. economy with little threat of inflation.

The Dow Jones industrial

average was 55.30 points

higher in late trading at

8,857.11. The Standard &

Poor's 500 index rose by 4.04

points at 532.57. Gaining

issues outnumbered losing

ones by a 4-to-3 ratio on the

New York Stock Exchange.

The National Association

of Purchasing Management

said its monthly index of business

activity rose to 54.8 in

March from 53.3 in February.

The group's prices-paid index

— a gauge of inflation —

fell to 44.4 from 45.8.

The Conference Board, a

private research group, said

its index of future economic activity was up a sharp 0.4 percent in February, the strongest rise in a year and another sign of the economy's enduring strength.

U.S. STOCKS

"We are very much in agreement the economy is extremely strong — but the story is inflation," said Lawrence Pavelec at M&I Investment Management Corp. "There continues to be pressure to keep prices stable or lower."

In the Treasury bond market, the price of the benchmark 30-year issue rose 17/32 point to 103 6/32, sending the yield down to 5.90 percent from 5.93 percent Tuesday.

The decision by Federal Reserve policymakers to hold rates steady at their meeting Tuesday also encouraged investors. But some analysts said the central bank might raise rates after its next meeting May 19, especially if there is no convincing sign soon that the Asian financial crisis is having an impact on the U.S. economy.

"If the first quarter is reasonably strong and they don't see a marked slowdown in April, at that point they will seriously consider moving," said Martin Regalia, an economist of the U.S. Chamber of Commerce.

Worries about corporate profits also kept investors on edge. Technology stocks, which have been market leaders, were held back after CompUSA said falling prices and higher costs would hurt earnings. CompUSA fell 5 1/2 to 21.

"Companies are producing negative surprises at an increasing rate," said Richard Eakle, an independent market strategist in Fair Haven, New Jersey. "Business isn't as robust as it was just a year ago."

Intel fell 15/16 to 77 1/4 after PC World magazine said the company's new lower-priced

hurt earnings. CompUSA fell 5 1/2 to 21.

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Ad Agencies Ponder Problem: Success

By Carol Marie Cropper
New York Times Service

NEW YORK — Executives at Scola Martin, an advertising agency in Austin, Texas, have a problem: Business is booming, and their high-technology clients' business is booming too.

How is that a problem? Just try finding and then holding onto talented workers, they say, echoing a lament heard throughout the advertising industry.

EUROPE

Paris Gets EU Deadline On Lyonnais Asset Sales

Bloomberg News
BRUSSELS — France has one month to propose asset sales by Credit Lyonnais SA, after which the bank may have to repay part of the state aid received in a 100 billion franc (\$16.4 billion) bailout, the European Commission said Wednesday.

The 20-member commission, the European Union's executive agency, unanimously voted to step up pressure on the French government, signaling its increasing frustration at the rising cost of rescuing Credit Lyonnais, Europe's most expensive bailout. The commission said it would send a letter to the government setting its conditions for clearing the bailout, the first time it has made such a move.

The commission could order the state-controlled bank to repay the 6.6 billion francs it has received since 1995, when EU antitrust officials cleared the first part of a government rescue, if no agreement has been reached by the time the one-month deadline has elapsed.

"Things are heating up," said Marc Louvet, deputy director-general at the credit rating agency Fitch IBCA in Paris. "It's positive a solution will be found, as it's inconceivable that Credit Lyonnais will repay the state aid. This is last-minute haggling."

Dominique Strauss-Kahn, France's finance minister, refused to say whether France would meet the one-month deadline. The minister said talks would continue with the commission until a solution was found that satisfied all parties. France has agreed to sell its controlling stake in the bank, probably next year, ending years of state subsidies.

Credit Lyonnais' shares fell 5 francs, or 0.9 percent, to close at 545.

Prices Rise as Yugoslavia Devalues Dinar

BELGRADE — The government devalued the Yugoslav dinar by 45 percent Wednesday, prompting an automatic increase in gasoline and other prices in the already strapped country.

The federal government explained the move as a measure aimed at achieving market stability. The governor of the central bank, Dusan Vukotic, said the devaluation would "eliminate the black market and stimulate exports."

But black-market vendors adjusted their rates and continued selling and buying foreign currencies on the streets. The dinar had been changing hands on the black market at 5.0 to 5.2 Deutsche marks before the official devaluation. Afterward, black-market rates were 6.0 to 6.3 DM.

The devaluation, which put the dinar at 6.0 DM compared with 3.3

DM before the move, raised fears of inflation and price rises. Even Prime Minister Radjic Kovic warned that as a direct result of the devaluation, "inflation will be unavoidable, especially in the immediate period ahead."

The ripples were felt as far away as Costa Mesa, California, where ICN Pharmaceuticals said it expected a second-quarter loss of as much as \$27 million because of the devaluation. ICN, which gets about 30 percent of its sales from Yugoslavia, said it would immediately adjust its prices.

The lower dinar rate could help exporters in the short run because they produce mostly low-quality goods, which require few imported raw materials, and expensive goods, which will become more attractive.

But for the average citizen, the

new rate will mean a substantial decline in already modest monthly earnings, which stood at around 200 Deutsche marks (\$109) on average before the devaluation.

Yugoslav economists first called on the central bank to devalue the dinar in November, when the spread between the official and the black-market rate started to widen. They insisted the old rate of 3.3 dinar to the Deutsche mark could not be sustained by the state, which had a \$10 billion external debt, a \$2.4 billion trade gap, more than 100 billion dinars in domestic debt.

Economists have often argued that the central bank's hard-currency reserves are too lean to defend the dinar at any rate since it does not have enough hard currency to cover one month of imports. The central bank does not disclose its foreign-exchange reserves, but independent

estimates put them at around \$250 million in February. Yugoslavia's monthly import bill amounts to almost \$400 million.

(AP, Reuters, Bloomberg)

The Zloty Moves On

The Polish government on Wednesday approved a new foreign-exchange law to make the zloty convertible for most foreign trade transactions and allow its purchase abroad, Bloomberg News reported from Warsaw.

The draft legislation, which must be approved by the Sejm, or lower house of Parliament, allows payments in zloty for foreign goods and services. The law also allows zloty to be purchased in other countries. It is a step toward making the zloty fully convertible by 2000 as Poland opens its market and adjusts legislation to meet European Union norms.

Finmeccanica Posts Loss for '97

ROME — Finmeccanica posted a net loss Wednesday of 2.35 trillion lire (\$1.29 billion) for 1997 but said an agreement for a joint venture between its Alenia subsidiary and GEC-Marconi Ltd. of Britain would be "concluded quickly."

Finmeccanica's results were hit by exceptional charges of 1.629 trillion lire for restructuring. In 1996, the company had a loss of 540 billion lire. Its sales last year rose 10 percent, to 15.282 trillion lire.

The new entity would be the biggest manufacturer of defense

systems in Europe and the third-biggest such company in the world. It would have annual sales of more than 2.7 trillion lire and employ 9,500 people.

An agreement would mark another step toward consolidation of Europe's weapons industry to match a wave of U.S. mergers. The U.S. linkups have produced companies such as Lockheed Martin Corp. and Boeing Co., powerful rivals for contracts because of their lean cost structures and large research budgets.

For Finmeccanica, a state-con-

trolled company that has long been unprofitable, the link-up with GEC-Marconi, a subsidiary of General Electric Co. of Britain, is part of a larger plan to become a financial holding company for various ventures with international partners.

Each of the founders would own half of the new entity, which would operate as a holding company overseeing British and Italian units containing some of the businesses of the two parents, notably civil radar systems, guided missiles and battlefield command systems.

(AFP, Bloomberg)

Swiss Take Aim at Money Laundering

BERN — Seeking to shed its image as a haven for ill-gotten gains, Switzerland on Wednesday closed a loophole that allowed money-launderers to skirt previous restrictions.

Under the new law, which took effect Wednesday, Swiss banks and other money managers are required to report to federal authorities any "well-founded suspicion" about the source of deposits.

In response to its own embarrassment and international pressure, Switzerland has been working for

years to tighten its laws against money laundering and to return to other countries any dubious money brought here by foreign rulers.

The change brings Switzerland up to basic international standards for dealing with money laundering. In a 1994 amendment to Switzerland's banking-secrecy law, bankers were given the legal right to report suspicions to the government.

Under the change, they are now required to report those suspicions and freeze the assets.

The change also applies to law-

Vickers Denies Getting New VW Offer For Rolls

LONDON — Vickers PLC, owner of Rolls-Royce Motor Cars Ltd., on Wednesday denied having received a revised offer for the luxury carmaker from Volkswagen AG after selecting VW's German rival BMW AG as the preferred bidder.

Vickers said reports that it had received a revised VW bid and was holding talks with the company had "no substance."

The statement contradicted comments made Tuesday by Rolls-Royce's chief executive, Graham Morris, who said in Germany that a new VW offer had been made. Vickers said Wednesday that this was wrong and gave what it called the "official" version of events.

Vickers said it had entered into four weeks of exclusive talks with Bayerische Motoren Werke AG, which was selected as the preferred bidder Monday. BMW made a £340 million (\$569.4 million) offer for Rolls-Royce.

Vickers said it was "not in discussions" with any other party. "There have been no more new offers," it said.

Investor's Europe			
Frankfurt DAX	London FTSE 100 Index	Paris CAC 40	
5000	6000	3500	
4000	5000	2500	
3000	4000	1500	
2000	3000	500	
1000	2000	0	
0	1000	0	
1997	1997	1997	
Exchange Index	Index	Index	Change
Amsterdam AEX	Brussels BEL-20	Frankfurt DAX	5,154.21 5,102.35 +1.02
Copenhagen Stock Market	Helsinki HEX General	London FTSE 100	5,992.20 +1.44
Madrid Stock Exchange	Milan MIETEL	Paris CAC 40	3,883.31 3,875.81 +0.19
Stockholm SX 16	Vienna ATX	Zurich SPI	4,737.22 4,716.04 +0.44

Very briefly:

- British Airways PLC will raise its stake in the German airline Deutsche BA to 100 percent by buying stakes from Bankgesellschaft Berlin AG and Commerzbank AG; the price was not disclosed.
- RWE AG will buy Huelis AG, the detergents and solvents business of VEB AG, for between 500 million and 600 million Deutsche marks (\$271 million to \$326 million) to try to gain market share in bulk chemicals.
- French new-car registrations rose 20.9 percent in March compared with the same month last year. Economists said the figures provided evidence that stronger consumer spending would help fuel economic growth this year.
- British Midland Airways posted pretax profit for 1997 of £17.3 million (\$28.9 million), up from £6.1 million in 1996, on a 10.7 percent increase in sales, to £529.3 million. The carrier, which is 40 percent owned by Scandinavian Airline System and 60 percent by a group of investors, said alliances with 17 international airlines had helped it surmount increased competition from new low-cost carriers.
- Lloyds TSB Group PLC will take a first-half loss of £100 million on the sale of its Black Horse estate agencies. Lloyds TSB sold the business, the fourth-largest real-estate agency chain in Britain, to Bradford & Bingley Building Society for £56 million.
- Independent Newspapers PLC posted a 36 percent increase in pretax profit for 1997, to a record 100 million Irish pounds (\$73.6 million). The group last month took control of the unprofitable British newspaper The Independent.
- De La Rue PLC, the world's biggest supplier of banknotes, plans to break its banknote division into four separate units in a drive to improve profit in an industry plagued by oversupply. The company issued a profit warning in February that triggered a 25 percent drop in its share price in one day.

Bloomberg, Reuters

WORLD STOCK MARKETS

Wednesday, April 1
Prices in local currencies.
Tel Aviv

High Low Close Prev.

Amsterdam AEX Index: 1142.78
Previous: 1134.45

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NYSE

Wednesday's 3:45 P.M.

The 2,600 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

12 Month	High	Low	Stock	Div Yld	PE	100s High	Low	Latest	Chge
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Thailand's Exporters Get \$1 Billion Loan

ADB Aid May Be Model for Other Deals

By Thomas Crampton
International Herald Tribune

BANGKOK — The Asian Development Bank announced Wednesday that it would lead a consortium of 64 international banks to grant a \$1 billion syndicated loan to Thai exporters, the first such loan since Asia's economic crisis began last summer.

The watershed deal will serve as a model for similar arrangements under discussion in other troubled countries in the region, said Mitsuo Sato, president of the bank.

The loan is the first syndicated loan to Thailand since last May and the largest one in the country's and the bank's history.

The money, available immediately, will be funneled through Thailand's central bank and the Export-Import Bank of Thailand to help manufacturers finance the production of exports.

Although the majority of Thai exports rely on short-term financing for raw materials, no loans have been available to the country's industries since its economic crisis began last July.

When Thailand's currency collapsed and international investors pulled out of the stock market, foreign banks limited their exposure by only keeping open existing credit lines and extending no new loans.

Despite a sharp devaluation of the currency, Thailand's exports contracted in dollar terms in January compared with a year earlier, according to data released this week. A 45 percent plunge in imports in dollar terms over the same period raised

concern that Thai manufacturers could no longer afford to import necessary raw materials.

"The portfolio guys were the first to come back to the stock market in January; now we bankers are returning too," said Henry Ho, Thai country manager for Citibank.

The bankers said they were confident in joining in the syndicated loan because of recent economic reforms pushed through by the government and because of the development bank had guaranteed the interest and principal for the first three years of the five-year loan.

David Manthwa, director of global loan syndications at Barclays Capital, said, "Once the ADB commits concerning the early part, extending the loan becomes very appealing."

Because export loans to manufacturers typically last six to eight weeks before repayment, the \$1 billion loan could be used to extend as much as \$7 billion annually toward exports. The development bank estimated Thailand's total export financing requirements over the next two years at \$160 billion.

Combining the new loan with the \$1.2 billion in export loans and credits pledged by the United States and Japan should soon start to ease the liquidity crisis for Thai exporters. Pradyathorn Devakula, president of the Export-Import Bank of Thailand, said,

"The lack of liquidity has delayed shipments, but starting now I think the nightmare will be over," he said.

But, although exporters will feel some relief, interest rates hovering around 20 percent continue to hurt other parts of the economy.



OPEN FOR BUSINESS — Acting Prime Minister Kim Jong Pil, second from left, opening the office of the Financial Supervisory Commission, a new independent regulator overseeing South Korean financial institutions. The commission had its first meeting Wednesday in Seoul.

Seoul Posts Record Trade Surplus

As Economy Falters, Firms Rely on Exports as Engine of Growth

Continued from Page 14

SEOUL — South Korea posted a record \$3.74 billion trade surplus in March, the government said Wednesday, as an economy tottering toward recession forced companies to focus on increasing exports.

It was the fifth straight monthly gain. South Korea's currency, the won, has plunged in value in the last year. A weak currency lifts exports by making goods cheaper abroad while making imports more costly.

The March surplus was a sharp turnaround from a \$3.48 billion deficit a year ago. It increased the country's cumulative January-March trade surplus to \$8.58 billion, compared with a \$7.33 billion shortfall during the same period of 1997.

Exports rose 6.9 percent from February, to \$12.12 billion, as Korean-made steel, petrochemicals and other

products became more competitive on world markets. Imports fell almost 36 percent, to \$8.4 billion.

"We cut imports of capital goods 70 percent this year," said Ki Ho Chul, planning and coordination manager at Hyundai Group, South Korea's biggest industrial group, or *chaebol*. "We couldn't curb raw material imports because we need these to make our exports."

Analysis said South Korea's trade surplus was bound to shrink through the year because exporters had nearly exhausted inventories of raw materials and would soon have to import huge amounts of goods.

Companies are having difficulty financing imports because of South Korea's low credit rating and shaky banks. The government said it would use \$2 billion of credit recently provided by the World Bank to help

importers obtain letters of credit. It will also use \$1 billion of loans supplied by the Asian Development Bank to guarantee trade financing.

"Optimism is shaky because there is little room for export growth," said Lee Hahn Koo, president of Daewoo Research Institute. "The country's industrial base shows signs of collapsing as the prolonged financial crisis forced companies to abandon investment plans."

In the first three months, imports of raw materials tumbled 35.4 percent from a year earlier, to \$11.46 billion, almost half of all imports, because of reduced demand. Lower prices played a part, led by a 53.8 percent drop in the cost of imported wood. Prices for pulp, glass products, steel and textile fibers also were lower.

(AP, Bloomberg, Reuters)

DANONE: Franck Riboud Clears Way for Fresh Expansion

Continued from Page 11

Even after exchanging the wind-surf for the office, Mr. Riboud stuck close to another outdoor passion — skiing — by signing on with the French ski maker Rossignol SA to work at a factory planned for Vermont. Several snowless winters later, Mr. Riboud in 1981 joined his father's company, then BSN Groupe.

Over the years he held a variety of jobs, helping, for instance, with the \$2.5 billion takeover in 1992 of RJR Nabisco's European biscuit and snack activities and running Evlan. In 1992, he took over the company's international expansion strategy.

Still, the reception was decidedly chilly in 1994 when his father, Antoine, named him to the No. 2 position with its implicit right of succession.

The cold-shoulder treatment continued in 1996, when Antoine stepped down at 77. The Riboud family owned less than 1 percent of the shares. It was noted, and at 40, Franck Riboud was considered by many to be too young to run Europe's third-largest food company, after Nestle and Unilever.

Last October, Mr. Riboud took Danone in Wall Street, selling 3 million American depositary shares, not so much to raise capital as to show the Danone flag. The shares have risen strongly from the initial offering price of \$31. They were quoted late Wednesday at

\$47.75, down 37.5 cents.

The stock got its latest lift in January on news that Danone's revenue in 1997 rose 5.4 percent, to \$8.47 billion francs (\$14.31 billion), with profit rising 8.3 percent, to 3.66 billion francs.

In part, Danone is simply riding a wave of restructurings as European food manufacturers and distributors reinvent themselves to overcome consumer stagnation and break out of narrow national boundaries.

In 1996, Unilever announced it was shedding about 20 percent of its \$50 billion of businesses in a major restructuring. In December, two of France's biggest food distributors, Promodes SA and Casino SA, agreed to an informal alliance.

That followed by about a year a \$3.2 billion takeover of Docks de France by another giant food retailer, Auchan SA. It was in the early 1990s, when Danone was still BSN Groupe and Antoine Riboud was running it, that the company realized its strategy needed tuning. When recession throttled Europe in 1993, its revenue contracted for the first time ever; operating margins slipped below 10 percent, beginning a slide that was not arrested until 1996.

To regain momentum, Franck Riboud raised \$850 million in 1997 by scrapping less valuable product lines, selling Danone's soup business to Campbell Soup Co. and selling subsidiaries that made

sauces, pasta and ready-to-eat meals to a group of investors. At the same time, he concentrated on yogurt, beverages and other products in which Danone was a leader.

Part of the strategy has been to follow the broader trend to branded products by shaping the Danone name into a global trademark, including changing the company name from BSN Groupe in 1994. In Europe, Mr. Riboud added Danone to local brand names on products such as mineral water and crackers; in North America, he introduced a Canadian spring water under the Danone brand.

For the future, Mr. Riboud is looking to expand outside Europe. Last year, a fourth of Danone's revenue was generated outside Europe, compared with 5 percent five years ago.

"I need people with increasing buying power — in Mexico, Brazil, Argentina, Asia," he said. The recent turmoil in the Far East does not upset him. While economies in Southeast Asia, such as Indonesia, are hardest hit, roughly half of Danone's \$865 million of annual revenue in Asia and the Pacific region comes from China, and most of the rest comes from India and New Zealand.

In the United States, sales in 1997 totaled about \$1 billion, compared with roughly \$200 million five years ago, and Mr. Riboud says his strategy there is to "build around our existing activities."

Indonesia to Draft Bankruptcy Law

Bloomberg News

JAKARTA — The government will unveil a bankruptcy law in May to replace regulations that have hindered Indonesia's economic recovery, Justice Minister Muladi said Wednesday after meeting with President Suharto.

The International Monetary Fund, which brokered Indonesia's \$43 billion international aid package, has been pushing the government to overhaul the bankruptcy code. Bankers have said the code is a major obstacle to resolving the problem of Indonesian corporations' \$71 billion in foreign debt.

"There's a negative image of how we uphold the law in Indonesia," Mr. Muladi said. "This has to be improved, and the president is very determined that the law be upheld perfectly."

He did not specify any changes contained in the law. The current bankruptcy laws date from before 1945, when Indonesia was still a Dutch colony.

Although dozens of Indonesian companies have defaulted on debts since the country's financial crisis began last year, none has been successfully sued by creditors to recover losses, and none has been liquidated.

EURO: An Unstoppable Momentum?

Continued from Page 11

courage economic activity, the central banks of European countries will virtually go out of business when the euro is in place. They will be replaced by the European Central Bank, which will set monetary policy for all 11 countries, even though national economies may be operating on different cycles.

The single currency is making its debut in optimal times. Economic growth on the Continent is healthy for the first time in seven years. Oil prices and interest rates are historically low. That's good for now, but if any of those factors reverses itself the weaker euro members could be caught in a bind.

Still, the conventional wisdom among the single currency's backers is that the euro will be a success.

A euro disaster, say those who believe in the single currency, would be a repudiation of everything that has been built by the

European Union in the more than 40 years since the Treaty of Rome established the European Common Market. The price of failure is not only high, but unpayable, in terms of collapsing currencies and political recriminations, they say.

The euro, said Thierry de Montbrial of the French Institute for International Relations, "is condemned to succeed."

German Skeptic Files Suit

Manfred Brunner, an opponent of European integration and a former European Commission official, filed a petition to the Germany's highest court on Wednesday seeking to stop German participation in the single currency, Reuters reported from Bonn.

The lawsuit comes a day before Germany's Federal Constitutional Court is to decide whether it will accept a similar petition from a group of professors for adjudication or throw it out without a hearing.

REPUBLIC OF LEBANON
MINISTRY OF MUNICIPAL AND RURAL AFFAIRS
COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION
SOLID WASTE/ENVIRONMENTAL MANAGEMENT PROJECT
INVITATION TO TENDER

Cazas of Tripoli (Tripoli, El Mina, El Beddawi, El Babsass and El Qalamoun Packages 1, 2, and 3: Supply of Collection and Cleaning Equipment

The Republic of Lebanon has received funding from the International Bank for Reconstruction and Development (IBRD) towards the cost of improvement of the solid waste management sector in Lebanon and it is intended that part of the proceeds of this loan will be applied to eligible payments for the Supply of Collection and Cleaning Equipment project for the Caza of Tripoli.

The Republic of Lebanon, represented by the Ministry of Municipal and Rural Affairs and the Council for Development and Reconstruction (CDR), invites sealed bids from eligible contractors for the following:

PACKAGE 1: Supply of 3 waste collection compactors (capacity 5 m³) and 6 waste collection compactors (capacity 10 m³).

PACKAGE 2: Supply of 350 waste galvanized containers (volume 500 L) and 700 waste galvanized containers (volume 1000 or 1100 L).

PACKAGE 3: Supply of street sweeping mobile equipment, namely 7 pick-up vehicles, 1 utility truck, 1 mechanical street washing / watering vehicle, 1 mechanical street sweeper, 1 wheel loader and 1 water tank truck.

This project will be administered by CDR based upon the World Bank's guidelines and the packages will be considered separately and distinctly. Contractors can acquire the bidding documents and bid for one or more of the above-mentioned three packages.

Contractors who have already undertaken similar projects are invited to apply for one or more of the above-mentioned packages and will be subject to post-qualification according to the criteria stated in the bidding documents. The bidding documents will be available for collection at CDR offices against the sum of US\$ 200 documents. (two hundred) for each package in the form of a banker's certified check in the name of the Council for Development and Reconstruction as of Thursday 2d of April 1998 and are to be returned before twelve o'clock noon (Beirut local time) on Thursday 14th of May 1998 at the following address:

The Council for Development and Reconstruction - Tallet el Serail - Beirut - Lebanon.

The bid opening will take place at the CDR on Thursday 14th of May 1998 at twelve o'clock noon (Beirut local time).

Further information may be obtained from: The Council for Development and Reconstruction - Tallet el Serail - Beirut, Lebanon - Phone: 961-1-981 431/2 - Facsimile: 961-1-647 947

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Société d'Investissement à Capital Variable - SICAV
26, avenue Monterey
L-2163 LUXEMBOURG
R.C. Luxembourg B 33.846

Shareholders are hereby convened to attend the Statutory General Meeting of the Shareholders, which will take place at the company's registered office in Luxembourg on April 15, 1998 at 15:00 for the purpose of considering and voting upon the following points:

AGENDA OF THE STATUTORY GENERAL MEETING

1. Reports of the Board of Directors and of the Independent Auditor.
2. Approval of the Financial Statements made-up as of December 31, 1997.
3. Discharge to the Directors and to the Independent Auditor.
4. Statutory appointments;
5. Miscellaneous.

Resolutions on the agenda of the Statutory General Meeting will require no quorum and will be taken at the majority of the votes expressed by the shareholders present or represented.

Shareholders who cannot attend the meeting are invited to send a proxy to the registered office to arrive not later than April 10, 1998. Proxy forms will be sent to registered shareholders. Proxy forms may also be obtained from the registered office.

The owners of bearer shares shall have to deposit their shares five clear days before the meeting at either:

- BANQUE FERRIER LULLIN (LUXEMBOURG) S.A., 26, avenue Monterey, L-2163 Luxembourg
- FERRIER LUTIN & CIE S.A., 15, rue Pothier, CH-1211 Genève 11
- SWISS BANK CORPORATION, One Exchange Square, 25th Floor, B. Connaught Place, Hong Kong
- DEMACHY WORMS & CIE S.A., 55, rue La Botte, F-75008 PARIS
- CREDIT GENERAL DE BANQUE S.A., Grand-Place, B-1000 BRUXELLES.

THE BOARD OF DIRECTORS

Investor's Asia				
Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225		
15500	2000	18250		
14000	1800	17500		
12500	1600	16750		
11000	1400	16000		
9500	1200	15250		
8000	1000	14500		
1997	1997	1997		
Exchange Index	Index	Index	Wednesday Close	Thursday Close
Hong Kong Hang Seng	11,331.42	11,518.68	-1.63	
Singapore Straits Times	1,600.12	1,628.18	-1.78	
Sydney All Ordinaries	2,752.90	2,744.20	+0.32	
Tokyo Nikkei 225	16,241.66	16,527.17	-1.73	
Kuala Lumpur Composite	700.05	719.52	-2.71	
Bangkok SET	456.57	459.11	-0.55	
Seoul Composite Index	468.22	481.04	-2.67	
Taipei Stock Market Index	9,041.50	9,091.16	-0.55	
Manila PSE	2,209.37	2,238.42	-1.30	
Jakarta Composite Index	5,233.98	5,414.25	-3.23	
Wellington NZSE-40	2,332.72	2,288.27	+1.84	
Bombay Sensitive Index	3,969.57	3,992.75	+1.97	

Very briefly:

- HSI Services Ltd., the compiler of Hong Kong's 33-company blue-chip Hang Seng Index, will launch a broader stock index — the Hang Seng 100 index — on April 20. The new index will include the 100 companies with the largest market capitalization on the Hong Kong Stock Exchange.
- Shimizu Corp., Japan's top contractor, said it would have a group net loss, its first in three years, of 46.5 billion yen (\$349.3 million) for the year that ended Tuesday because of write-offs and the country's economic slowdown.
- Yanzhou Coal Mining Co., the first Chinese state enterprise to offer new shares in Hong Kong this year, made its trading debut Wednesday, closing at 2.475 Hong Kong dollars (\$1.95 U.S. cents), up from an offer price of 2.42 dollars, despite weak market conditions.
- China's machinery and electronics exports rose 33 percent from a year earlier, to \$8.8 billion, in the first two months of 1998 amid rising demand for Chinese exports outside Asia, the official Xinhua news agency said. Exports to the United States jumped 24 percent and those to the European Union rose 35.9 percent in the two months, while exports to South Korea fell 20.5 percent.
- New Zealand's WestpacTrust McDermott Miller Index of consumer sentiment in the latest quarter fell 4.8 percent to 102.9, its lowest level since the fourth quarter of 1991, amid worries about interest rates, employment, drought and the effects of the Asia crisis.
- Japan's domestic vehicle sales fell 20.7 percent in March from a year earlier. It was the 12th consecutive month of decline as record unemployment and lower wages kept buyers out of showrooms.
- Coca-Cola Amatil Ltd., the largest soft-drink bottler in the Asia/Pacific region, said it was confident despite the region's economic turmoil and cited sharp growth in the Philippines and steady Indonesian sales.
- Air Lanka, Sri Lanka's newly privatized national carrier, will buy six Airbus aircraft for \$550 million, the state privatization agency said.

(Bloomberg, Reuters, AFP)

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Wednesday's 3:45 P.M.
The 1,000 most traded National Market securities
in terms of dollar value, updated twice a year.
The Associated Press.

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Page	12 Month High	Low	Stock	De	Yu	FE	500 Mgn	Last	Chgd	Chn
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Wednesday's 3:45 P.M.
(Continued)

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12 Month	Stock	DIV	Yield	PE	52 Week High	Low	Latest	Change
345	11	Simulac		ad	479	153	157	+2
346	11	Singer		ad	479	153	157	+2
347	11	Singer		ad	479	153	157	+2
348	11	Singer		ad	479	153	157	+2
349	11	Singer		ad	479	153	157	+2
350	11	Singer		ad	479	153	157	+2
351	11	Singer		ad	479	153	157	+2
352	11	Singer		ad	479	153	157	+2
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April 1, 1998

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WORLD ROUNDUP

**Floyd Patterson
Quits Post, Citing
Loss of Memory**

BOXING The former world heavyweight champion Floyd Patterson resigned Wednesday as head of the New York State Athletic Commission, after the disclosure that he suffers from significant memory loss.

"After long and careful consideration, my family and I have decided that for personal reasons, I will resign," Patterson said in a letter to Governor George Pataki. A source close to the athletic commission confirmed a report in the New York Post that Patterson suffers from problems with short- and long-term memory. Many former boxers — including Sugar Ray Robinson and Muhammad Ali — have suffered from various forms of brain injuries or illnesses, or memory loss.

The Post said a 3½-hour videotape of a March 20 deposition showed that Patterson, 63, was unable to recall important events in his career and could not remember the names of his closest aides.

Patterson was asked dozens of questions under oath for a suit filed by the promoters of so-called ultimate fighting, a sport combining martial arts, boxing and street brawling that is banned in New York.

Patterson could not recall that he beat Archie Moore to win the title in 1956, or that the fight was in Chicago. Patterson said he thought the bout was in New York. He also said he thought title fights were still 15 rounds instead of the current 12.

"It's hard for me to think when I'm tired," Patterson said. "Sometimes, I can't even remember my wife's name." (AP)

Rypien Headed to Falcons

FOOTBALL The quarterback Mark Rypien will be leaving the St. Louis Rams for Atlanta.

Rypien, an unrestricted free agent, has agreed in principle to a two-year, \$1.8 million contract offer from the Falcons. He is expected to sign the deal early next week. Rypien, 35, played in five games last season for St. Louis, completing 19 of 39 passes for 270 yards, no touchdowns and two interceptions. The Rams have already made a commitment to Will Furrer as the backup quarterback to Tony Banks, signing him to a two-year deal. The Rams also have another quarterback, Kurt Warner. (AP)

Play Ball! Familiar Faces, Teams in New Places

In 17th Opener, Ripken Is Blasé About a Defeat

Compiled by Our Staff From Dispatches

It was his 17th successive Opening Day start for the Baltimore Orioles, his 2,479th consecutive game, his 347th straight since he eclipsed Lou Gehrig's consecutive-games streak on Sept. 6, 1995.

But the Baltimore Orioles' opener Tuesday at Camden Yards turned out to be just another game for Cal Ripken and

AL ROUNDUP

the team he would like to see back in the World Series for the first time since 1983. As Ripken viewed it, it's always fun to win, and a little more fun than usual to win the first game.

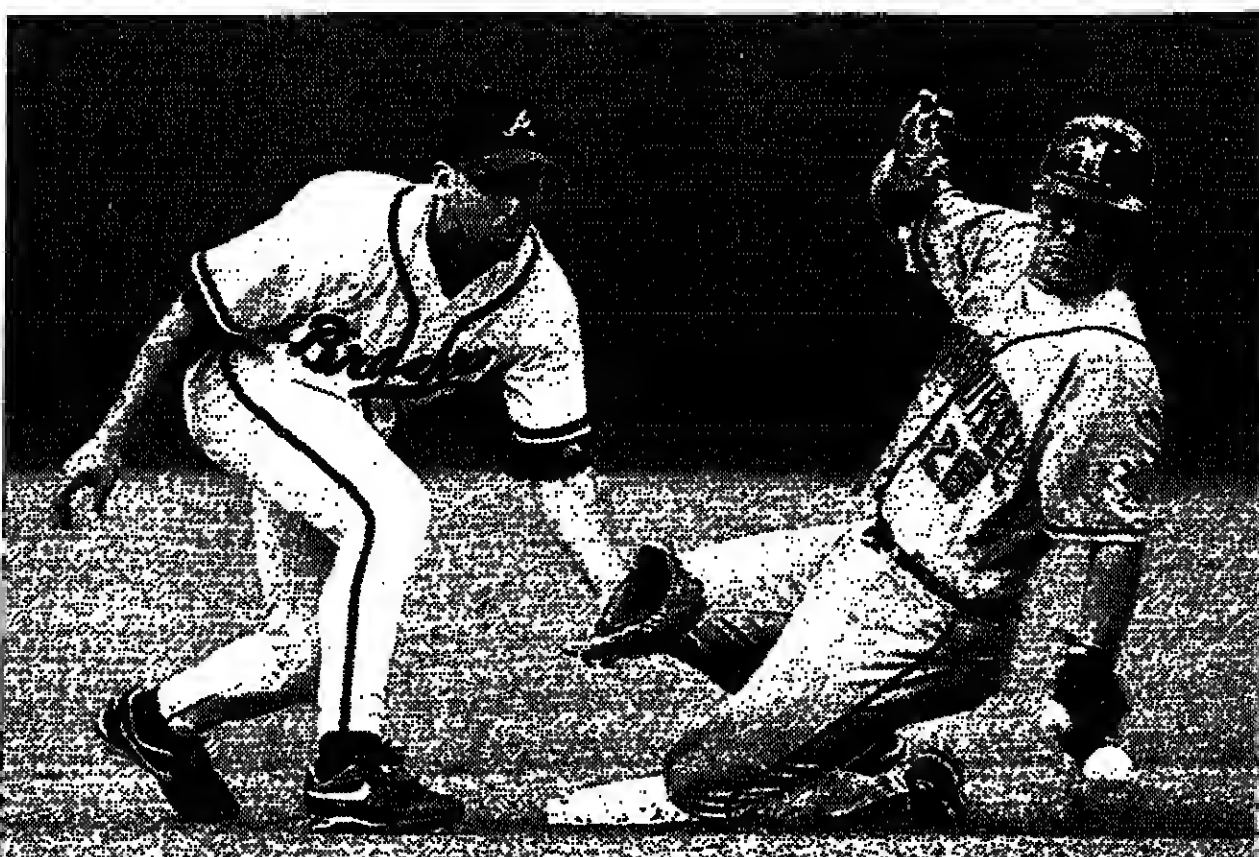
"Opening Day is different," Ripken, 37, said after the Kansas City Royals beat the Orioles, 4-1, behind a strong pitching effort by Tim Lincecum and despite an equally impressive game by Mike Mussina. "It's the closest thing you have to an 'event' during the regular season."

Belcher, starting in place of the injured Kevin Appier, allowed three hits in seven scoreless innings to beat Mussina, who struck out 11 in eight innings. Larry Sutton, a rookie, drove in three runs for the Royals, and Jeff King went 2-for-2, scoring twice before leaving in the fourth because of a sore back.

It was the fifth straight time the Royals had opened the season against Baltimore — and only the second time they won. It was also losing debut for Ray Miller, the Baltimore manager who replaced Davey Johnson — last season's manager of the year — after Baltimore was eliminated by Cleveland in the first round of the playoffs.

Ripken has often contributed to an Opening Day victory. In 1989, he hit a three-run homer off Boston's Roger Clemens to help the Orioles to a 5-4 victory in a tense, extra-inning contest Memorial Stadium. In his first Orioles' opener, in 1982, Ripken went 3 for 5 with a home run and a double.

And he also hit home runs to open the 1983, 1984, 1989 and 1997 seasons. Counting his seasons in the minor leagues, Tuesday was Ripken's 21st Opening Day, but it was as uneventful as any he's had. He went 0 for 3; he struck out, fouled out and flied out. In the field, however, he made one stirring play, diving to his left to spear a ground ball and throw to second for a force-out. It was reminiscent of plays by Brooks Robinson, who enjoyed 20 Opening Days, the only Oriole in history with more than Ripken.



Jeff Cirillo of the Brewers stealing second base as Walt Weiss of the Braves tries to come up with the low throw.

Oriole partisans were left to shrug and remember that it's a long season. "When you're on the losing side, you do that," Ripken said. "When you're on the winning side, you get to celebrate the Opening Day victory. But if you look at it in the big picture, it's one of 162 ball games. If you have a great season, you're going to lose 60 times. You hope it's one of just 60 times."

White Sox 9, Rangers 2 Frank Thomas, Albert Belle and Robin Ventura drove in two runs each for visiting Chicago in Jerry Manuel's first game as manager of the White Sox.

Winner Jaime Navarro allowed just five hits in six shutout innings and Mike Cameron saved a home run when he leaped in left-center to snare a ninth-inning drive by Fernando Tatis that was headed over the wall.

Loser John Burkett was tagged for seven runs and six hits, all in the fifth inning. **Detroit 11, Tampa Bay 6** Tampa Bay's performance on opening day wasn't a surprise. The Devil Rays, the American League's expansion team, gave up the game's first 11 runs in their franchise opener. At Tropicana Field, which features baseball's first cigar bar, Wade Boggs's two-run homer off winner Justin Thompson in the sixth inning was about all Devil Rays' fans had to cheer following an hourlong pregame celebra-

tion of baseball's arrival on Florida's west coast. The losing pitcher, Wilson Alvarez, was pounded for six runs and nine hits in 2½ innings.

Alvarez seemed the perfect choice to start the Rays' first game, and not just because the \$35 million free agent was their first big-bucks acquisition. He was 7-0 against the Tigers since June 1993, mainly with the White Sox.

But he couldn't make it out of the third, surrendering hits to the first five batters in a four-run second highlighted by Joe Randa's two-run double and Joe Oliver's two-run single. Randa's RBI single in the third chased him.

Cleveland 10, Seattle 9 At the Kingdome, Seattle, still looking like an expansion team as far as the bullpen is concerned, wasted a six-run lead and allowed Cleveland to rally for a victory. Ken Griffey Jr., Jay Buhner, Edgar Martinez and Russ Davis each homered, a reminder that the Mariners hit a record 264 home runs last year. But then came the bullpen, which blew 27 save chances last season. Bobby Ayala, loser Tony Fossas and Mike Timlin combined to allow two hits and five walks in the eighth.

Randy Johnson, starting perhaps his final season with the Mariners, had a 9-3 lead, but wound up allowing six runs, 11 hits and two walks in 5½ innings. "It's only one game," said the Mariners' manager, Lou Piniella. "I still contend we're going to have good pitching. I'm a little disappointed, but it will get much better." (WP/AP)

Braves 2, Brewers 1 In Atlanta, the Brewers lost in their NL debut when Gerald Williams trotted home from third after an attempted pickoff throw, by the Brewers' catcher, Mike Matheny, skipped into left field in the ninth.

The Brewers became the first major league baseball team to switch leagues since the 1892 season, and played their first NL game against the team that left Milwaukee for Atlanta after the 1965 season.

Williams, a former Brewer, walked with one out in the ninth and took third when another pinch-batter, Keith Lockhart, singled. The losing pitcher, Bob Wickman, struck out Andrew Jones, but Matheny went to third when Lockhart broke for second on the pitch. Matheny's throw bounced past Jeff Cirillo into left, and Williams came home with the deciding run.

Met 1, Phillies 0 In New York, pinch-hitter Alberto Castillo singled with two outs and the bases loaded in the 14th inning. Matt Franco opened the 14th with a single off the loser, Ricky Bottalico, took second when Brian McRae walked and lost his footing rounding third on Bernard Gilkey's single. One out later, Castillo singled on a 3-2 pitch.

Turk Wendell, the Mets' sixth pitcher, picked up the victory with two innings of hitless relief. **Padres 10, Reds 2** In Cincinnati, Pokey Reese tied an opening-day record for strikeouts with four errors. The Padres' starter Kevin Brown, one of a dozen players discarded by Florida after its World Series title, gave up one run and five hits in 6½ innings and hit a three-run double in the seventh.

Mike Remlinger, who got the opening-day start after Dave Burba was traded to Cleveland on Monday, gave up three runs in five innings and was the loser. **Giants 9, Astros 4** In Houston, Jeff Kent had a career-high five hits, including a three-run homer, as San Francisco won its first opener since 1994.

With the score tied, 4-4, C.J. Nitkowski walked Charlie Hayes leading off the 13th, and Hayes took third on Rey Sanchez's single. Darryl Hamilton grounded to Tim Lincecum at shortstop, who threw out Hayes at the plate as Sanchez took third. A pinch-hitter, Alex Diaz, then singled off Bogar's glove to score the go-ahead run.

Rockies 9, Diamondbacks 2 In Phoenix, Vinny Castilla homered twice and drove in five runs and Darryl Kile pitched like the ace the Rockies expected as Colorado spoiled the Diamondbacks' debut. Kile, who signed a \$24 million, three-year contract with Colorado during the off-season, limited the Diamondbacks to four hits and one run in seven innings for the win. Andy Benes, the loser, gave up five runs and nine hits in 6½ innings.

The most prominent feature of the season-after roster is the contingent of 14 rookies, including 9 on the 12-man pitching staff, a remarkable number for any team, let alone a defending World Series champion.

Those fans, who did not fill all of the seats Tuesday, did not let Huizenga's wholesale cost-cutting undermine their fun. They applauded the videoboard images, saving their loudest appreciation for the final World Series scene.

They cheered, too, when a sign was unveiled above the left-field fence proclaiming the Marlins as "1997 World Champions." But then Joe Angel, a Marlins' radio and television announcer and the master of ceremonies, began introducing the people who would ride to the center-field fence and raise the World Series championship flag.

Don Smiley, the club president, was the first person introduced and Huizenga the second. The fans booed Huizenga.

These Marlins do not have the look of a champion. They more closely resemble an expansion team that went out and signed some expensive free agents to put with their young players.

Gary Sheffield and Charles Johnson each slugged a three-run home run against Kevin Tapani, but Johnson, the National League's best defensive catcher, committed his first error since June 1996, and Livan Hernandez, who was

more games because of a concussion, won his second game after a three-game skid. Mike Sillinger also scored for Philadelphia, and Alexei Znamov scored both goals for the Islanders.

Canadiens 3, Hurricanes 3 Mark Recchi had a goal and an assist and Vincent Damphousse added two assists as Montreal and Carolina played to a draw in overtime. Host Carolina moved within three points of eighth-place Ottawa in the Eastern Conference.

NHL ROUNDUP

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Meet the Rookie Marlins

Low-Budget Team Lacks Championship Luster

By Murray Chass
New York Times Service

MIAMI — The Florida Marlins returned to the scene of the crime. The crime, as their fans see it, wasn't winning the World Series last October: it was the demolition of the team after the Marlins won the World Series.

In a hittersweet beginning to the season after, the Marlins' fans booed H. Wayne Huizenga, the team's owner, when he was introduced during pregame ceremonies. But they cheered videoboard scenes of the team's 1997 success, and they cheered the players, the ones who remained from Huizenga's payroll purge that lopped \$20 million off the team's season-ending \$53.5 million payroll.

Jim Leyland, the manager, who was cheered, said he did not take it personally when he is booed. Asked whether he thought the Huizenga booging was personal, he said no. "They were booing that we don't have our players back."

It was Huizenga's decision, of course, not to have the players back. 12 of the 25 from last year's team. The Marlins, who won the seventh game of the World Series at Pro Player Stadium on Oct. 26, could not tell from their 11-6 opening-day victory over the Chicago Cubs on Tuesday what to expect from this year's version.

Gary Sheffield and Charles Johnson each slugged a three-run home run against Kevin Tapani, but Johnson, the National League's best defensive catcher, committed his first error since June 1996, and Livan Hernandez, who was

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SPORTS

Pacers Find the Basket

Club Shooting Record Is Set Against Clippers

The Associated Press
Two days after setting an NBA record for clutch shooting, the Indiana Pacers set a club record with 14 3-pointers — six by Reggie Miller — as they defeated the Los Angeles Clippers, 128-106.

In beating the visiting Clippers for the 14th consecutive time on Tuesday night, the Pacers hit 11 of their first 14 shots, including 3-of-3 on 3-pointers, to take command from the start.

Miller led Indiana with 24 points, and Reggie Miller led the Pacers with 14 3-pointers. Reggie Miller, who returned after a one-game suspension, and Antonio Davis, playing off the injured Rick Smith, added 19 points apiece. Mark Jackson had 11 points and 15 assists in 26 minutes as reserves played the fourth quarter.

On Sunday, in a 74-55 loss to San Antonio, the Pacers set a league record or fewest points in a game since the NBA began using a shot clock in 1954.

Lakers 114, Pistons 105 Rick Fox had 11 points and 10 rebounds as the Lakers won their 13th win in their last 15 games. Shaquille O'Neal added 20 points and 13 rebounds for the Lakers, while Chauncey Billups had 21 for the visiting Raptors, who lost their sixth straight game.

Suns 95, Knicks 78 In New York, Tim Duncan scored 25 points and David Robinson had 24 as San Antonio overpowered the Knicks.

The Spurs, starting three 7-footers, had a height advantage of more than 10 inches per man. New York's two 7-footers, Patrick Ewing and Chris Dudley, are out with injuries.

Allan Houston led the Knicks with 31 points.

Mets 95, Hawks 90 Keith Van Horn scored 19 of his 22 points in the first quarter, and Kerry Kittles kept host New

Jersey in from after Atlanta made a fourth-quarter run.

Kittles scored 9 of his 18 points in a 16-2 spurt that gave the Nets a 91-75 lead. The Nets moved a half game ahead of Orlando in the fight for the eighth playoff berth in the East.

Cavaliers 93, Magic 88 Bob Sura had 21 points as Cleveland beat Orlando.

Shawn Kemp had 13 points and 16 rebounds, and Wesley Person scored 16. Sura, a 53-percent foul shooter, was 9-for-9 from the line.

Heat 121, Celtics 95 In Miami, the Heat won the game, but lost Alonzo Mourning with a broken left cheekbone. The 6-foot 10-inch center was facing surgery and his status was uncertain, the team said.

Mourning, who averages 19.2 points and 9.7 rebounds, was injured during a scrap for a loose ball in the third quarter when he collided with Boston's Andrew DeClercq.

Hornets 111, 76ers 93 Glen Rice scored 26 points, and David Wesley's 15-foot jumper broke a tie late in the fourth quarter for host Charlotte.

The Hornets blew a 20-point first quarter lead and trailed, 81-76, with 9:24 left before regrouping to hold off the 76ers and end a two-game losing streak.

Bulls 106, Pistons 101 (OT) In Chicago, Michael Jordan's defense prevented Grant Hill from scoring at the end of regulation, and Chicago extended its season-high winning streak to 10 games with a victory in overtime.

Scottie Pippen returned from a two-game absence (tonsillitis) and had 27 points, 7 rebounds and 7 assists. Jordan had 26 points and 8 assists. Dennis Rodman grabbed 18 rebounds for Chicago.

Suns 97, Rockets 88 In Houston, Jason Kidd had 21 points and sparked Phoenix with four 3-pointers in the second half.

A 3-pointer by Kidd midway through



The Bulls' Scottie Pippen, back from a two-game absence, shooting over the Pistons' Jerry Stackhouse.

a 10-0 Phoenix run in the third period put the Suns ahead to stay at 60-58. When Houston moved within 70-67 at the start of the fourth quarter, Kidd's 3-pointer capped a 7-2 Phoenix run to give the Suns a 77-69 lead and send them to their third straight victory.

SuperSonics 88, Jazz 86 Delf Schrempf scored 17 points and hit the go-ahead basket as Seattle rallied to beat visiting Utah. The victory put Seattle (54-18) a half-game ahead of Utah (53-18) in the race for best record in the Western Conference.

Mavericks 104, Grizzlies 101 A.C. Green and Michael Finley scored 22 points apiece and Erick Strickland made a key steal in the final seconds for visiting Dallas.

Bucks 94, Warriors 89 (OT) Armon Gilliam scored 25 points, including eight in overtime, and Milwaukee ended its nine-game road losing streak. Ray Allen added 24 points and Ervin Johnson had 17 for Milwaukee.

At Crunch Time, Atletico Wilts

By Peter Berlin
International Herald Tribune

MADRID — For one of the biggest European matches in its history, Atletico Madrid found itself first reduced to the status of a warm-up act in its own city, and then upstaged by its guests and its own club president.

Atletico lost the first leg of its UEFA Cup semifinal, 1-0, to Lazio of Rome on Tuesday night, just 24 hours before Real Madrid, its more famous and successful neighbor, entertained Borussia Dortmund in the Champions Cup.

Lazio, too, is used to being part of the chorus, overshadowed in Italy by Juventus and the two Milan teams. But its victory Tuesday stretched its unbeaten streak to 24 matches. That run has also carried it to third place in Italy's Serie A, one point behind Inter and two behind Juventus.

After the match, Sven Goran Eriksson, the Lazio coach, said his team was "Fifty-one percent of the way to the final." Now, it moves on to the important matter of the Italian League match in Rome on April 5 between Lazio and Juventus.

Radomir Antic, the Atletico coach, said nothing at all. Jesus Gil, the club president, has banned Antic and his players from speaking to the media, he says, are stirring up trouble at the club. That, of course, is Gil's job.

The one exception to the ban is Gil himself. He launched an obscenity-laced attack against Spanish television for reporting on Wednesday that he had lined up an Italian coach to replace Antic.

Gil, an accomplished scene stealer, drew attention not only with his words but with his movements Tuesday. Following a urate last year, he was banned for five months by the Spanish league. He has simply ignored the ban and kept turning up for matches, including three UEFA Cup games.

For that, UEFA, the governing body of European soccer, last week fined Gil 15,000 Swiss Francs (\$9,700). Undaunted, and still banned, Gil appeared in his presidential seat Tuesday to watch his club. He may have wished he had not bothered.

There is something endearing and reassuring about a team that defends as poorly as Atletico did. A certain disregard for the modern obsession with defense has become a trademark of the big Spanish clubs. Barcelona reached

Roberto Mancini, the languid veteran, was particularly so for Lazio. Pierluigi Casiraghi, a muscular center-forward, made a late appearance as a substitute — clearly desperate to exploit the Atletico defense. He managed one tame shot and one disoriented header.

By far the most conspicuous of the three was Christian Vieri, the bustling Atletico striker. Without the support of his usual strike partner, Kiko, who was suspended, and Atletico's most creative midfielder, Juninho, who is injured, he hewed out seven scoring chances. He flicked a header from one of Milinko Panic's viciously swerving corners wide of the goal. The other six strikes were all with his foot and all on target, yet he fired five of them straight at Luca Marchegiani, the Lazio goalkeeper. That is not a habit that will win him a World Cup place.

On Tuesday, Atletico was incapable of marking. Diego Fuser, the Lazio captain, shot wide when in the clear on a counter attack. Pavel Nedved, another Lazio midfielder, perhaps surprised to find himself unmarked 12 yards from goal, sliced his shot wide. Then in the 34th minute, Vladimir Jugovic collected the ball in midfield. As he advanced, the defense fled, and he ripped a low shot into the corner of the Atletico goal.

Yet, the cavalier defensive play of Spanish clubs does not offer a port of call for the World Cup finals. Two of the Atletico defenders, Carlos Aguilera and Santi Denia, will probably start for the Spanish national team in France. Over the last six years, Javier Clemente, the Spanish coach, has made unyielding defense the bedrock of his strategy.

Tuesday's match may also have provided some World Cup clues in another area: the long-running soap opera involving the goal-scoring positions in the Italian national team. Many have auditioned, but none has made the role his own. Three of the candidates played on Tuesday.

One man who has a World Cup place is Paul Durkin, the English referee. He who came to Madrid fresh from a briefing in Paris last week. There, referees were told that Sepp Blatter, the general secretary of FIFA, world soccer's governing body, wants players who commit illegal tackles from behind. That was "blatant" in the first 10 minutes. Durkin did nothing. In the second half Jose Antonio Chamara, a Lazio defender who plays for Argentina, "blatantly" Jose Luis Camarero. Again Durkin awarded only a free kick.

The Englishman should watch out that he does not himself receive a red card.

Inter Milan 2, Spartak Moscow 1 In Milan, Ze Elias lashed home a loose ball in the last minute to give Inter victory in the first leg of its UEFA Cup semifinal. Ivan Zamorano, making a rare start, had put Inter ahead with a ferocious header just before halftime. Dmitry Alenichev leveled for the Russians with a clever dribble and shot in the 48th minute.

THE UEFA CUP

two Champions Cup finals with a distinctly shaky back line. Real Madrid happily fields two full backs, Roberto Carlos and Christian Panucci, who often prefer to attack than to defend.

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SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE				NATIONAL LEAGUE			
EAST DIVISION				EAST DIVISION			
Team	W	L	Pct.	Team	W	L	Pct.
Yankees	4	0	1.000	Atlanta	1	0	1.000
Red Sox	3	1	.750	Philadelphia	1	0	1.000
Blue Jays	2	2	.500	Montreal	1	1	.500
Toronto	1	3	.250	St. Louis	1	1	.500
Baltimore	0	4	.000	San Francisco	0	1	.000
White Sox	0	4	.000	Los Angeles	0	1	.000
Seattle	0	4	.000	San Diego	0	1	.000
Chicago	0	4	.000	Colorado	0	1	.000
Minnesota	0	4	.000	Arizona	0	1	.000
Los Angeles	0	4	.000	San Francisco	0	1	.000
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Detroit	0	4	.000	San Diego	0	1	.000
Kansas City	0	4	.000	Colorado	0	1	.000
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ART BUCHWALD

Burn Those Books

WASHINGTON — The thing that makes Ken Starr a great prosecutor is that he will subpoena anybody, anywhere to track down one of his usual suspects. Even if it's a manhole cover, he'll demand it be produced for the grand jury.

The latest to be subpoenaed is Kramerbooks. Starr demanded that it turn over a list of books that Monica Lewinsky had purchased there.

I'll be very honest. I had no idea this had anything to do with Whitewater, and it made me slightly nervous when I went into a bookstore the other day.

Everything seemed natural, except all the salespeople had "FBI" printed on the backs of their blue jackets. Smelling a rat, I said to one

Philadelphia Unveils Matching Van Eycks

PHILADELPHIA — The Philadelphia Museum of Art on Wednesday put on exhibit a pair of matching paintings by the Flemish master Jan Van Eyck, the first time the works have been shown together in 500 years.

The exhibition featuring Van Eyck's two versions of "St. Francis Preaching to the Birds" is to run through May 31. Both 15th-century paintings depict St. Francis of Assisi kneeling in a fantastic landscape at the moment when the stigmata of the crucified Christ appear on his bands, feet and side.

agent. "Do you have 'Rebecca of Sunnybrook Farm'?" The salesperson handed me a copy. When I handed it back to him he started to dust it for fingerprints.

Curiosity got the best of me, and I asked the clerk what was up.

"We got a tip that Monica Lewinsky may have bought a copy of 'Joy of Sex' here last week, and we're checking it out."

"What would happen if it was confirmed?"

"It would be another damaging clue to help Ken Starr in his case against Monica's mother."

"Are people indictable because of the books they purchase?"

"It's up to the judges who are monitoring the Starr investigation."

"Will I be subpoenaed for buying 'Rebecca of Sunnybrook Farm'?"

"It depends if you bought the hard cover or the soft cover, and whom you bought it for."

He told me, "Rebecca of Sunnybrook Farm" does not entitle anyone to executive privilege. But that isn't what we're looking for.

"If Monica bought a book titled 'Vox,'" he continued, "which deals with people having phone sex, it's a serious offense and worth the \$36 million it's costing the taxpayers for the Whitewater investigation."

"I don't want to go to jail for buying a book," I said.

"You should have thought about that before you rifled through the U.S. Constitution."

A Cultural Icon Slams the Poverty of French TV

By Katherine Knorr
International Herald Tribune

PARIS — Bernard Pivot is an institution in this country, and a symbol, too, of what French television can do right when it tries to bring culture to a mass audience. A highly talkative man with a habit of running his fingers through thick dark hair as he turns his charged attention on one of his guests, Pivot has managed to make a group of talking heads an enduring, popular and often startling feature.

He has famously had help over the years, notably when the cult poet Charles Bukowski chugged two bottles of white wine on Pivot's show and, mercifully for the others, staggered off. Mostly, however, the magic has come from Pivot's bringing the common touch to a love of reading. Nothing stands still, however, and he has recently launched a (written) diatribe against the way the increased commercialism of French television has relegated what little cultural programming is left to a late-night ghetto.

Fulminating against the nonsensical use of ratings and the frenetic race after certain age groups of consumers, Pivot's "Remembrance of the Menage de Moins de Cinquante Ans" is as folksy as his television persona, beginning with the title, which literally means "A Scolding for the Under-50 Housewife" and refers to a much pursued but extremely nebulous viewer category.

Stand up for yourselves, ladies! is Pivot's deceptively chatty message in a book that is really saying that television in France has changed for the worse and that the blame can be laid first on the politicians, right and left, who argued that more commercial stations would bring greater diversity and liberty and ever more brilliant cultural television, and secondly on the industrial moguls who fought to get their hands on the private channels and, says Pivot, tried to poach him from the public channel 2, offering lots of money and vague promises.

The changes in French television

reflect the French schizophrenia about culture and what is unfortunately called globalization, evident in generous spending on the arts at one level, and a race to be "modern" on the other, which means commercial sponsorship. The main TV stations have essentially been abandoned to the race for private revenue and sponsorship, since even the public stations have been pushed to depend ever more on ads. At any rate, Pivot's "Bouillon de Culture," roughly "Culture Soup," which replaced his prime-time "Apostrophes," is programmed more than an hour later, at 10:45, inevitably with half the audience.

The other message in Pivot's book, more subtle and more melancholy, is that what he has done so well — that is, to bring culture not to a small group of aficionados, but to a mass audience — will disappear, making France a little poorer. Pivot used to be criticized by some intellectuals for dumbing down culture, but in fact he created a unique place where some of the world's most famous writers, plus diplomats, politicians and all sorts of other people with at least a stated interest in books, came into millions of living rooms. He is the champion of the middlebrow.

"Apostrophes" had a tremendous effect on people who didn't give a boot about reading," he said recently, amid the piles of books in his Paris living room.

"Television isn't just there to pass the time," he said. "It shouldn't only be a tap of tepid water — you take a little, you wash your hands, then you go to bed. Television should also exalt you, surprise you, irritate you. I think that cultural programs can do that. But now we depend entirely on news to surprise — terrible pictures, killings in Algeria. I think that television doesn't surprise enough, in the good sense, by introducing a writer to young people, for example. That's what I like in general-content television."

When the mainstream channels

do "serious" programs, Pivot says, they are not about culture, but rather, as with voyeuristic American talk shows, about "sociological" problems, i.e. they're about Other People Who Have Even Bigger Problems Than You Do, always a fascinating topic.

"Television has become a mirror in which the public likes to recognize itself," Pivot said. "The public either likes to see itself, or it likes something very far away, exoticism. Culture is neither of those." Even when programs feature "popular" culture, rap musicians from the Paris suburbs, for example, the emphasis is not so much on what they perform as on how they got there, Pivot says, bow they "made" it, so that the viewer can relate and dream how he might "make" it and be a celebrity too.

Culture will not disappear from television, Pivot says, indeed there might eventually be more cultural programming than ever before, but only on specialized channels that will draw a specialized audience, and scare off everyone else. (Even Arte, the admirable French-German channel, is a weird hybrid — a little too French for the Germans, a little too German for the French.)

Call it the triumph of lowbrow and highbrow over middlebrow. That is where Pivot feels the politicians failed the audience, in losing the notion of "public service" — and public education — that was associated with public television.

"Ten years ago, I would have said that this is a country that has always listened to writers, and so writers will continue to be needed," Pivot said. "And public television is there to cultivate, not just to inform and to entertain. I would have told you that, and 10 years later, it's not that culture has been eliminated — the proof is that I'm still here — but its position has changed, it is now exiled."

"Today, when I ask myself what is going to happen to television with the increase in specialized channels, I think what is on offer culturally



Bernard Pivot assails television's increased commercialism.

will keep on increasing, but it will be fragmented, it will be by subscription, and it will no longer have the role that the big channels once played of reaching out to people who are not already interested. What I always liked about generalist TV is the mix of people, as in newspapers: There are political pages, economic ones, sports, fashion."

There is, of course, neither an answer nor a solution to the problems that Pivot cites, as he knows himself, and so Pivot — also famous for his annual national *dictee*, or spelling test, which invariably reveals that intellectuals are not the best spellers — has essentially written the epitaph to public television as a conveyor of culture to a general audience.

Pivot is careful to say that he is basically a happy man. If "Bouillon" runs later than he wishes, at least it isn't after midnight, and at 62, he says he looks forward to a retirement when he might be able to watch all those specialized channels. Still, he said, "If I were 35 today, I would not make a career of cultural television except on cable," he said. "I come from a modest background, where there was no culture, and I would like others to discover what I discovered. Culture gives breathing space to the soul, and television was made to tell those people, this is good, go see it."

PEOPLE

A JUDGE in Santa Monica, California, has dismissed a sex-discrimination suit filed against Michael Jackson by a former employee. The Superior Court judge threw out the case, ruling that Maureen Doherty's claims were based mostly on "speculation, conjecture and beliefs" and didn't warrant a trial. Doherty, who was fired as vice president of Jackson's MJJ Productions Inc. in 1994, claimed she was wrongfully fired and suffered intentionally inflicted emotional distress, among other things.

Buddy Hackett got his star on the Hollywood Walk of Fame. And then it was time for a few jokes. The comic poked fun at subway builders who have irked Hollywood businesses with a lengthy construction project that forced the removal of hundreds of stars from the Walk of Fame. "I left Brooklyn to get away from the subway and now I have to worry about my star moving because of this subway," he joked. Hackett, 73, has worked in film, television, nightclubs and on Broadway for nearly 50 years.

Robert Downey Jr., who caused a stir when he was escorted from jail to work on a movie, has been released from the Men's Central Jail in Los Angeles to complete his six-month sentence at a drug rehabilitation center. Downey was sentenced for violating terms of his probation and using drugs. He had been set for release from the jail on March 29, but three days were

tagged on to his time there to make up for work-release days Downey was given to work on the movie "In Dreams."

The Stradivarius violin that inspired Beethoven to write the Kreutzer Sonata was auctioned at Christie's in London on Wednesday for a record price of £947,500 (\$1.6 million). The Kreutzer Stradivarius, named for the French violinist Rudolphe Kreutzer who bought it from the renowned violin-maker Nicolas Lupot, was purchased by a former violinist and violin dealer from London. The previous record for the sale of a musical instrument was for "The Mendelssohn," a Stradivarius violin sold at Christie's in 1990 for £902,000.

A sequel to Britain's biggest box-office hit ever, "The Full Monty," will be made, but the stars will keep their clothes on. The agent for the writer, Simon Beaufoy, said his client was negotiating for the project. The makers are eager to repeat the success of the male-stripper movie set in Sheffield, in northern England, which cost only £2 million (\$3.3 million) to make but has grossed about £160 million worldwide so far.

Andrew Carroll, a co-founder of the American Poetry and Literacy Project, has set out from New York on a cross-country poetry giveaway. From the back of a truck that is well-stocked with verse, Carroll plans to give away 100,000 poetry

books across the land during the National Poetry Month promotion. By April 30, he is expected in Los Angeles. "A foot and light-hearted I take to the open road/Healthy, free, the world before me," says Walt Whitman's "Song of the Open Road," which is included in a book that will be handed to drivers at the Philadelphia tollbooth of the Walt Whitman Bridge. "We really want to reach people from all walks of life," said Carroll. The promotion is backed financially by the Academy of American Poets.

Mitterrand With a Literary Bent

PARIS — Mazarine Pingeot, the illegitimate daughter of Francois Mitterrand, the late president of France, will make her debut as a writer this week with a book entitled "Firsi Novel," her publisher said Wednesday.

The 270-page romance about two university students was a well-kept secret until the newspaper Le Figaro revealed that the Julliard publishing house was ready to release it on Friday. Pingeot, 23, has left France for three months to avoid publicity, the paper reported. She has already started writing a second novel. Although an open secret among Paris's journalists, the fact that Mitterrand had a daughter by his mistress, the museum curator Anne Pingeot, was not made known publicly until 1994.



Buddy Hackett getting his star on the Walk of Fame.



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